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Council of Europe Membership Efforts Viewed

954E1516A Moscow KOMMERSANT-DAILY in Russian 23 Sep 95 p 3

[Article by Aleksandr Nesterenko and Svetlana Sukhova: "Gloomy Record of Russian Democracy"]

[FBIS Translated Text] Russia could lay claim to an entry in the Guinness Book of Records—the procedure of its entry into the Council of Europe (CoE), which began in 1992, has been the longest in this organization's history. And Moscow will hardly change its "special guest" to council member status in the course of the present meeting of the Council of Europe Parliamentary Assembly, which will commence business on Monday in Strasbourg. Yet Ukraine and Macedonia will, most likely, become members. And this will be permitted Kiev in circumvention of all the existing provisions and rules, what is more.

Consideration of the applications of Ukraine and Macedonia is on the agenda of the Council of Europe Parliamentary Assembly meeting for 26 September. Ukraine is far from the first republic of the former USSR to be preparing to become a member of the Council of Europe. The states of the Baltic and Moldova joined the Council of Europe before it. Moldova was admitted in clear violation of the rules: Council of Europe experts pointed to the nonobservance of human rights there. But Ernst Muehlmann, a Swiss parliamentarian and member of the Council of Europe Parliamentary Assembly Political Commission, who visited Chechnya in August, declared that the withdrawal of Russian troops from the territory of Moldova was a condition of Russia's admittance to the Council of Europe Parliamentary Assembly.

Generally, the procedure of entry into the Council of Europe consists of three stages: the submittal of an application on behalf of the head of the Ministry of Foreign Affairs of the country concerned, consideration at a session of the Council of Europe Parliamentary Assembly of questions of the conformity to international standards of the level of democratization of the applicant, and, finally, lawyers' expert opinion. The latter is undertaken by members of the European Court, who are required to furnish a detailed report on the fundamentals of legislation and the legal practice of the state which submitted the application on the matter of their conformity to European standards. Following the reports, the Council of Europe Parliamentary Assembly adopts a decision on the possibility of the country's membership of the Council of Europe.

The procedure of Ukraine's entry into the council will altogether circumvent all existing provisions: Council of Europe experts have held no meetings in Ukraine. In addition, the country formally lacks a constitution. But the Council of Europe has decided to accommodate Kiev and make an exception. The protest of the Russian delegation and the demand that Moscow be accorded the same opportunity were rejected. According to Vladimir Podoprigora, representative of the Council of Europe International Affairs Committee and member of the Interdepartmental Commission for Preparations for Russia's Membership of the Council of Europe, Russia will continue to content itself with the place of "special guest," "but we are not admitted to the drawing room." Although Council of Europe Parliamentary Assembly experts have termed the shortcoming of Russian legislation merely the slowness of judicial reform. Nonetheless, Moscow's inclusion on the list of entrants is hardly to be expected at the present Council of Europe Parliamentary Assembly session, according to Podoprigora: "Only an unlocking of the Russian file can realistically be expected."

The Russian file began its progress wholly in accordance with procedure. But the domestic political events of the summer and fall of 1992 made the arrival of Council of Europe experts in Russia impossible at that time, and following the dramatic events connected with the dissolution of the Supreme Soviet, consideration of the Russian application was put on ice. The adoption of the new constitution and the elections to the new parliament removed the formal obstacles on Russia's path into the Council of Europe. Rapporteurs and the leadership of the Council of Europe visited Moscow in the summer and fall of 1994. The experts' assessment was negative: Russia's legislative base was found not to correspond to European standards. And the rapporteurs recommended that the Council of Europe Parliamentary Assembly postpone consideration of Moscow's candidacy until May 1995.

Chechnya got in the way in 1995: Progress on Russia's application was once again frozen, and the Council of Europe demanded of Moscow permission to visit the conflict zone. Experts of the organization visited Chechnya in June and, based on the results of the trip, recommended that the Council of Europe Parliamentary Assembly not unlock the Russian application, which it did not. In addition, the skepticism of the Western members of parliament in respect to the development of Russian democracy was so great that it was moved at a session of the Council of Europe Parliamentary Assembly that a solution of the Russian question be delayed until after the 1995- 1996 elections.

[begin box]

Council of Europe

The Council of Europe is an intergovernmental organization dealing with all the main issues of European life, except problems of defense. As distinct from the European Union, which is an elite club of 15 states, any state of Europe may be a member of the Council of Europe. The council currently has 34 members.

The council was founded in May 1949 by 10 countries—Britain, France, Italy, the Benelux states, Sweden, Norway, Denmark, and Ireland. It was later joined by Greece, Turkey, Iceland, and Germany (1950), Austria (1956), Cyprus (1961), Switzerland (1963), Malta (1965), Portugal (1976), Spain (1977), Liechtenstein (1978), San Marino (1988), Finland (1989), Hungary (1990), Poland (1991), Bulgaria (1992), Estonia, Lithuania, Slovenia, the Czech Republic, Slovakia, and Romania (1993), Latvia (1994), and Albania and Moldova (1995). The admittance of Macedonia and Ukraine is expected.

Within the framework of the Council of Europe there are two standing bodies—the Committee of Ministers consisting of the heads of the Ministries of Foreign Affairs of the members, and the Parliamentary Assembly (Council of Europe Parliamentary Assembly)—a consultative body, whose members, totaling 234, are appointed by the national parliaments. The committee's decisions are conveyed to the governments of the members in the form of recommendations or as European conventions binding on the states that have ratified them. Plenary meetings of the committee are held twice a year, of the assembly, four times a year.

The Council of Europe is funded by the governments of the members. The 1994 budget amounted to 1.2 billion francs.

[end box]

The situation changed in Russia's favor after the second, August, visit of experts to Chechnya. There came to be talk, first, about the possibility, then, about the necessity, of the convening of a special session of the assembly to discuss Russia. It was even proposed satisfying its application before the 17 December elections in order in this way to support Russia's democrats. But the interests of the European parliamentarians are not that unselfish: Russia, having become a member of the Council of Europe, would automatically, because of the high level of its GNP (per capita), fall into the "principal payers" category, and a large membership contribution—$20 million annually—would be collected from it. As our KOMMERSANT correspondent was told at the Ministry of Foreign Affairs of Russia, "principal payer" status has its pluses also: Moscow would obtain a large number of seats in the Council—18. It is expected here that the organization's budget following the admittance of Russia would grow 50 percent—mainly on account of travel expenses—and the $20 million from Russia would not save the situation. A solution could be the transfer of Council of Europe Headquarters from Strasbourg to East Europe.

The main opponents of Russia's membership of the Council of Europe are the representatives of the so-called small European states, who fear that Moscow's membership would alter the balance of forces, which has taken shape over the years, in Europe as a whole and the traditional balance of forces and interests within the Council of Europe in particular. Such conservatism could lead to Moscow's application being considered only after the 1996 presidential elections.

[begin box]

European Institutions

Council of Europe (Council of Europe)—an international organization uniting 34 European states

European Council—the regular (twice a year, at a minimum) assembly of the heads of state or government of the European Union for planning Community policy

Parliamentary Assembly (Council of Europe Parliamentary Assembly)—the consultative body of the Council of Europe consisting of parliamentarians of the members

European Parliament—the parliamentary body of the European Union, which is made up of deputies from the members of the European Union elected on the basis of a general ballot.

[end box]

The supporters of Russian membership of the Council of Europe are guided not only by particular political interests and a desire to support the as yet infirm Russian democracy. Some of them, representatives of France, specifically, would like to realize in practice General de Gaulle's idea of a Europe "from the Atlantic to the Urals." Especially since with such an alignment of forces, Paris could lay claim to the place, lost following the end of the cold war, of intermediary in relations between Russia and the United States. And there need be no fear of an inordinate increase in the influence of Germany in Europe, which so intimidates France.

In deciding the question of Russia's admittance to the Council of Europe, the members of the Council of Europe Parliamentary Assembly are glancing over their shoulders at another rival European institution—the European Union. The struggle for influence between them has intensified particularly as of late in connection with the change in the geopolitical situation in Europe. Russia's admittance to the Council of Europe is seen by the parliamentarians as a trump card in the game with the European Union. The presence of this trump card could result in a loss also, for that matter, if Moscow fails to justify the hopes of the Western democrats.

What would membership of the Council of Europe do for Russia? The supporters of this step distinguish two advantages: the possibility for Russian citizens of appealing privately to the European Court on human rights, and a consolidation of the positions of Russian members of parliament in connection with the support that would be rendered them by their Western colleagues, primarily the Council of Europe Committee of Ministers, in the event of disputes with the executive arising. The fact that Council of Europe experts would have the right to visit zones of military conflict on Russian territory could also prove of considerable importance for Moscow. The Council of Europe could also monitor the observance of human rights and democratic standards in correctional institutions, courts, and so forth. And although the drafting and implementation of programs of economic assistance are not within the jurisdiction of this organization, the international, primarily European, prestige of the Council of Europe is widely known. And considering the fact that all the European countries and some republics of the ex-USSR are members of this organization, it is for Russia simply a matter of honor to join this European club.

*Lukin Views on Council of Europe Membership Scored

964F0023A Moscow SEGODNYA in Russian 28 Sep 95 p 3

[Article by Vladimir Skachko, Strasbourg, under rubric "Cooperation": "The Question of Accepting the Russian Federation Into the Council of Europe Has Been Unblocked: There Is a Chance That It Will Become a Member of CE Next January."]

[FBIS Translated Text] On the evening of 26 September the members of the Council of Europe [CE] adopted a decision to unblock the consideration of Russia's acceptance into that organization, which consideration had been suspended on 2 February of this year because of the events in Chechnya. The only statement sharply against the decision was made by the representative of the Italian delegation, who stated that the renewing of the procedure for accepting Russia into the Council of Europe was premature, since, in Chechnya, 95 percent of the territory is controlled by Russian federal troops and under such conditions one cannot speak of the observance of human rights or a free election that reflects the will of the Chechen nation. According to the Italian deputy, the Council of Europe, as a minimum, should establish a deadline for the withdrawal of Russian troops from Chechnya. He was supported by Latvian representative Andreas Panteleyevs, who proposed waiting for the December election in Chechnya before being convinced that the Russian authorities will be able to carry on a completely equal dialogue with the new Chechen authorities, whoever they may be.

However, most of the members of the Council of Europe were inclined to feel that, first of all, the Council of Europe without Russia is an incomplete organization and that the failure to accept Russia will create tension in the event of a new division of Europe. In particular, Ernst Muellemann, a speaker from the Political Committee of Swiss, said, "It is better to be a neighbor of Russia's in the Council of Europe than outside of it." Secondly, the members of the Council of Europe emphasized that the renewing of the acceptance procedure is not yet a discussion of the question of acceptance itself, and, thus, Russia is being given time to prove its democratic nature.

Yesterday's decision by the Parliamentary Assembly provides Russia with real chances that it will be accepted into the Council of Europe next January. CE Secretary General Daniel (Tarshis) mentioned this in an ITAR-TASS interview. In (Tarshis)'s opinion, the parliamentary election in Russia that will be held in December should not create any interference for a positive decision by the CE. "Technical interference," the secretary general stipulated. He had in mind that even if the new Federal Assembly does not have time to form a delegation for participating in the January session of the Parliamentary Assembly, the current parliamentarians will be able to represent Russia there, without even mentioning the fact that the decision can also be made in the absence of a Russian delegation, in response to a Russian application.

It is another matter that there is interference, so to speak, of a nontechnical nature, concerning which the secretary general delicately remained silent during the ITAR-TASS interview, but which is also obvious. For a final positive decision concerning Russia, it is necessary for the Council of Europe to finally untie the "Chechen knot." Meanwhile, according Muellemann, the Swiss deputy to PASE, who, the day before yesterday, gave the basic report on Russia, "although Russia is seeking a political resolution of the conflict in Chechnya, the agreements that have been achieved are fragile." There is also no doubt that the results of the December election in Russia will still have an influence on the final decision of the January Parliamentary Assembly. One can have serious doubts that the European parliamentarians will want to deal with a parliament in which the Communists or the national patriots will get the majority.

Critics of the Council of Europe, headed by Vladimir Lukin, the chairman of the Duma committee on international affairs and the leader of the Russian delegation at the session of the Parliamentary Assembly, complain that Russia has been kept in the CE "locker room" since 1992. During that time, they claim reproachfully, the CE has accepted into its ranks countries that applied for admission later than Russia did, including Moldavia, Albania, and, finally, Ukraine. However, for some reason the critics remain silent about the question that, among the countries that have "outdistanced" Russia, despite all the imperfection of their legislations, constitutions, and penitentiary systems, there is not a single one which, like the Russian Federation, is in a state of war. While asserting that the CE takes a partial and unobjective attitude toward Russia and is applying a "double standard" to it, they deliberately forget that in 1994 everything was ready for its acceptance in 1995, but the Chechen war put an end to those preparations.

*Russian Humanitarian Aid to Bosnia

954F3567A Moscow IZVESTIYA in Russian 27 Sep 95 p 2

[Article by IZVESTIYA correspondent Svetlana Galkina: "Coachmen"]

[FBIS Translated Text] **IZVESTIYA correspondent Svetlana Galkina reports on the delivery of Russian humanitarian aid to Bosnia.**

The last trip made by the coachmen (that is what the drivers sent to Yugoslavia by the Ministry of Emergency Situations are called) was made at the end of August. The convoy of Russian KamAZ's was not given an escort. And without one it is not safe for the absolutely unarmed convoy performing a humanitarian mission to cross the frontline territory. For three weeks the UNHCR—United Nations Office of the High Commissioner for Refugees—has been trying in vain to resolve the problem of militarized resistance. At 1530 the Russian drivers were given the order to depart.

The night before, the drivers, bored from three weeks of idleness, killed time as best they could. They slept, watched television, hung around the hotel, and wandered aimlessly through the crisscrossing Belgrade streets. Therefore the news about the forthcoming trip to Gorazde was greeted with enthusiasm. Although not without skepticism: Few believed that the escort—a Russian battalion of UN troops from Sarajevo—would show up at the meeting place. And this meant that the trip would be a "deadhead." It would be good if they returned before nightfall. Otherwise, as has frequently been the case, they could spend about five days at some stopping place somewhere waiting for their next orders from UNHCR.

Three years ago, at the very beginning of the peacekeeping activity in the former Yugoslavia, the UN formed detachments of drivers from among the Danes, Belgians, English, French, and Russians. During the past two years we have been the only ones traveling the humanitarian routes. The reason—the pay and the working conditions, which absolutely do not suit Western drivers but are acceptable to Russians.

The Western contractors demanded comfortable lodging, high-quality food, and $5000 per month. Our boys sleep in their KamAZ's in sleeping bags and receive $47 a day. Moreover, the ones who go to the Balkans are the cream of the crop, having gone through rigorous competitive selection from among professional drivers. This work affords an excellent opportunity for them to put their finances in order. So preference is given to those who especially need it. Moreover, this three-month business trip (the 65 days of the contract, as a rule, drags out to 80-90) is not a bad rehabilitation for those who quite recently were fighting in Chechnya. For example, Major Vitaliy Telesh, having spent 110 days in the Republic of Ichkeria, today is driving a Jeep Explorer along the roads of the former Yugoslavia. It goes at the head of the column, suggesting the route and warning about possible dangers.

It is perhaps most entertaining for an outsider to listen to the convoy's radio conversations. Radio communications are used to control the whole convoy, which sometimes consists of 20 vehicles, to adjust the speed....

—Number 5 is at the signal light....

—Number 20 just passed a bus.

—Careful, on the right there is a lady with a dog.

—Commander, we have passed over a narrow stretch of road, the whole convoy is assembled—reports one of the youngest in this convoy, Sergey Averin, who is last in the convoy, which is both a demanding position and one that carries respect.

The first is the KamAZ of Viktor Lunin. This is his fifth trip to the Balkans. He has hauled cargo to Srebrenica and Sarajevo and Banja-Luka and Zepa. He knows the road to Gorazde like the back of his hand. On the way back to Belgrade when two vehicles got out of formation at the same time he was the one they entrusted with the task of towing the still unrepaired KamAZ. It was not easy for Viktor to pull 16.5 tonnes (that was the overall weight of the cargo of the two vehicles)—the brake blocks began to smoke when they were going downhill....

—Attention, we are going through Tarasov's turn—warns the lead jeep.

Every section of the road where something has happened to our drivers—serious or curious—is given a name. But, thank God, nothing tragic has happened recently. And in three years a total of four drivers have died in accidents.

—Men, there is a cop behind the bushes checking our speed....

Actually the Yugoslav highway police regard with a certain special respect the snow-white KamAZ's with the blue letters UNHCR on the side.

But the convoy drivers, swearing, call the former Yugoslavia a region of tractor drivers and bicyclists. The large numbers of these kinds of transportation cause them the most trouble on the road.

Having arrived in Belgrade during the very hottest part of the summer, part of the Russian detachment—a group of military drivers under the command of Golubev—decided to shave their heads. And since the men in the detachment are by no means delicate—their average weight is 100 kilograms—they made a terrifying impression on those around them. One time while "sunning themselves" in Slivovice waiting for the command to move farther toward the front line, the drivers were diverting themselves by catching crayfish in the country stream. The local police, who had been called by the village residents, caught them in this act. Not only did the Russian's external appearance not inspire confidence but, it turns out, the local residents had never eaten crayfish in their lives and they considered catching these beings suspicious. Since that time the residents of Slivovice have christened the drivers the "Russian mafia" and the police sternly ordered the locals to stay as far away from them as possible.

In general people have various attitudes toward the Russian coachmen. Here an oncoming vehicle blinks its lights as a greeting. Sometimes as a sign of greeting Yugoslav drivers will raise three or two fingers, which means, respectively, we are Orthodox" and "victory will be ours." But frequently the convoy is greeted with indecent and insulting gestures. As a rule, this is done by Serbs, who do not like the idea that Russians are delivering aid to Muslim refugees, forgetting that these same Russians are supporting the Serbs as well.

—According to our instructions we do not have the right to react to this. And sometimes we want so much to respond....

—Lunin is distressed.

—So you resort to all kinds of professional "tricks."

It is considered the greatest skill when you manage with a gust of air from the exhaust pipe to blow the cap off the head of the offender.

Relations on the border are different. First they "shake up" the Serbs, and after the customs inspection they bend over backwards to drink with them as a sign of friendship.

It is considerably more complicated with Muslims. When inspecting humanitarian cargoes, they cut open bags of flour and sugar and puncture plastic bottles of oil. As a result the aid comes to the refugees in poor condition. Sometimes if you are not looking they throw cartridges at the driver in the cab. In order to avoid such excesses it was decided to have the vehicles inspected in the presence of two or three drivers.

Sometimes on the road they throw stones at the KamAZ's—this is why there are grates on the windows of the vehicles and two vehicles are armored. When they approach the front line, the drivers put on bullet-proof vests and helmets—they are included in an appropriate set.

On the way back nobody accompanies the convoy of KamAZ's. They make their way as best they can. Sometimes they make the trip there and back in a day and a half. But most frequently for various reasons they are delayed en route about five days.

This time the order on the portable radio to return stopped the convoy in Slivovice, an hour's travel from the border. The Russian battalion, on which the UNHCR was counting very much, got stuck somewhere, and without a guaranteed escort, of course, nobody would send the people out into the fray, even if they had a very important humanitarian cargo.

Some of the drivers returned to Russia in the middle of September. From the two detachments that existed previously—military and civilian—they created a consolidated one. It now has only 28 drivers. But even they hang around with nothing to do while the UNHCR solves the problem of the escort. Nobody can give the date of the final completion of the work of the Russian contractors.

*Decree Confirming Russia-IBRD Loan Agreement

964E0014A Moscow ROSSIYSKAYA GAZETA in Russian 23 Sep 95 p 5

[Text of Russian Federation Government Decree: "On Ratification of the Agreement Between the Russian Federation and the International Bank for Reconstruction and Development on the Second Rehabilitation Loan," signed by Chairman of the Russian Federation Government V. Chernomyrdin on 9 September 1995 in Moscow, No 914]

[FBIS Translated Text] The Government of the Russian Federation **hereby decrees:**

1. That the Agreement between the Russian Federation and the International Bank for Reconstruction and Development (IBRD) on the Second Rehabilitation Loan in the amount of $600 million U.S. for financing import purchases for the purpose of supporting the Russian program of macroeconomic stabilization and structural transformations, signed in Washington on 7 July 1995, shall be ratified.

2. It shall be established that the repayment of the IBRD loan will be performed at the expense of federal budget funds.

3. The Ministry of Finance of the Russian Federation:

—shall provide for the allocation of funds necessary for servicing and repayment of the IBRD loan;

—shall inform the IBRD regarding fulfillment by the Russian side of the conditions necessary for implementation of the Agreement indicated in point 1 of the present decree.

[Signed] Chairman of the Government of the Russian Federation

V. CHERNOMYRDIN

*Possible Future CIS, Central European Union Merger Proposed

964E0014C Moscow ROSSIYSKAYA GAZETA in Russian 23 Sep 95 p 7

[Article by Fedor Lukyanov, ROSSIYSKAYA GAZETA correspondent: "Dressing-Room of the European Union? Former CEMA Countries Successfully Resolving Problems of Economic Integration"]

[FBIS Translated Text] While some CIS countries, in the fervor of independence, are still frightened to death by the very thought of a singular economic and customs union, their colleagues from the former CEMA [Council for Economic Mutual Assistance] countries are uniting into a regional economic union similar to the EU [European Union], although for the present time without any common structures.

About three years ago, the members of the so-called Vyshegrad "troyka," and then after the "divorce" of Czechoslovakia, the "foursome"—Hungary, Poland, Czechia and Slovakia—signed the Central European Free Trade Agreement (CEFTA), which provides for the gradual removal of customs barriers in mutual trade and closer cooperation in various economic spheres.

Today, two years after the implementation of this agreement, the CEFTA countries are taking a new step along the path of integration. At a recent meeting in Warsaw, the representatives of the Vyshegrad "foursome" agreed that, beginning with 1997, i.e., two years sooner than previously presumed, the overwhelming part of the industrial products (85 percent) produced in these countries would be sold to each other duty-free. On the remaining 15 percent of the products, duties would gradually be eliminated by the year 2002.

The situation is a bit more complex with agricultural produce. And this is understandable. The entire "foursome" is comprised of serious producers of basic types of agricultural products, and on many positions (meat, grain, poultry, etc.), they are potential competitors not only in trade with each other, but also on the West European market, where they are trying to emerge independently of one another. But even here, it turns out, it is fully possible to resolve the problems in the presence of political will. Budapest, specifically, proposes introducing a 50-percent reduction in customs tariffs on a mutual basis on its agricultural products already by January of next year, 1996.

The meeting in Warsaw and the last summit of the heads of state of the "foursome" in Brno showed that the former CEMA states are ready to go farther than the creation of a customs union, to which the CIS countries cannot seem to come. The ultimate goal of the cooperation, as Prime Minister of Poland Yu. Oleksy announced, is to ensure not only the free movement of goods across the boundaries of the "foursome," but also of manpower, services and capital. In other words, the discussion, in essence, centers around creating a common economic space, if you will—a common Central European economic community with a population of 65 million people. In the future this community may be expanded through new participant countries. An amendment to the charter was adopted in Warsaw, which allowed such a possibility by "any European country." The first "outsider" in CEFTA was Slovenia, which was present at the conference in Warsaw as an observer, and in Brno received the status of permanent member. Aside from the Premier of Slovenia, the premiers of

Bulgaria and Rumania and the Minister of Foreign Affairs of Lithuania were invited to the meeting in Brno. It is logical to assume that these countries may become, if they have not already become, potential candidates at the next stage.

Thus, we are witnessing the formulation of a new Central East European economic union on the ruins of CEMA, with a new complement, but without the CIS countries. According to computations, in the future this market may unite somewhere on the order of 100 million persons and become an important factor in the economic life of Europe. Obviously, the economic integration of the countries in this region is stimulated not only by the interrelation and interdependence of the economies dating back to the times of CEMA and the common problems of the "transitional stage" to the market, but also by the prospect of the countries of Central and Eastern Europe joining the European Union, which was somewhat remote after the initial euphoria. Despite the fact that all the countries in the "foursome" have already become associate members of the EU, no one can say exactly when their turn will come to acquire full-fledged membership in the European Union. Most likely, no sooner than 2005.

Well, and what about the CIS? I believe we should not discount the possibilities of broad cooperation of the CEFTA and the CIS countries, up to unification in some East European economic union of a new type. But of course, not in the near future.

*Directive on Tasks to Achieve US-Russian Trade Agreements

964E0014D Moscow ROSSIYSKAYA GAZETA in Russian 27 Sep 95 p 4

[Text of Russian Federation Government Directive: "Through the Barriers of Quotas," signed by Chairman of Government of the Russian Federation V. Chernomyrdin on 6 September 1995 in Moscow, No 1239-r. Followed by commentary by Aleksandr Velichenkov]

[FBIS Translated Text]

Russian Federation Government Directive

For purposes of realization of the agreements reached in the course of the 5th Session of the Russian-American Commission on Economic and Technological Cooperation (henceforth referred to as the Commission):

1. The MFER [Ministry of Foreign Economic Relations] of Russia, in conjunction with the MFA [Ministry of Foreign Affairs] of Russia, shall continue negotiations with the American side on access of Russian goods to the American market; on the start of practical development of the question of possible creation of a free trade zone between Russia and the USA; on reviewing anti-dumping procedures; on granting the status of "country with a transitional economy" to Russia; on the final withdrawal of Russia from under the effect of the Jackson-Vanik amendment; on renewing the issuance of licenses for import of Russian sporting and hunting rifles to the USA; on creating conditions for participation of Russian suppliers in the system of state purchases of the USA, and on financing of joint projects for development of the Il-96 M/T and Tu-334 aircraft with the participation of the U.S. Export-Import Bank.

2. The MFER of Russia, with involvement of the appropriate federal organs of executive power, as well as the Government of the Republic of Sakha (Yakutiya) and the administrations of krays and oblasts of the Far East of the Russian Federation, shall take measures for the practical realization of the agreements reached at the first session of the working group on encouraging commercial cooperation between the Far East of the Russian Federation and the Pacific regions of the United States of America, held in June of 1995.

3. The MFER of Russia, Minfin of Russia, Minekonomika [Ministry of Economics] of Russia and Gosnalogsluzhba [State Tax Service] of Russia shall continue to discuss with the American side the questions of taxation of commercial activity for purposes of preparing a joint report on this question by the 6th Session of the Commission.

4. The MFER of Russia, with involvement of the appropriate federal organs of executive power, shall hold negotiations in the 3rd quarter of 1995 with the American side regarding the development of cooperation in the sphere of small enterprise and problems of crime in the commercial sphere.

5. Mintrans [Ministry of Transportation] of Russia, with participation of Minekonomika of Russia, Minfin of Russia and MFER of Russia, shall, within a month's time, complete the expert evaluation of the project for automated control of the "Sirena-3" air traffic system.

6. Minekonomika of Russia, in conjunction with Minfin of Russia and other interested federal organs of executive power, shall continue work on attracting and utilizing American credits granted to Russia under guarantee of the U.S. Export-Import Bank for financing joint projects in the sphere of conversion, the building industry, the light and timber industry, public health and other sectors.

7. Minekonomika of Russia, in conjunction with the Russian Federation Government Commission on Questions of International Humanitarian and Technical As-

sistance, shall intensify control over the preparation and realization of measures within the framework of economic assistance provided by the USA to Russia, and together with the American side shall specify the order of utilizing the consultation-technical assistance granted to Russia by the USA.

8. The MFER of Russia, in conjunction with Minekonomika of Russia, Minfin of Russia, Minoborona [Ministry of Defense] of Russia, Goskomoboronprom [State Committee on the Defense Industry] of Russia, Minatom [Ministry of Atomic Energy] of Russia, the RKA [Russian Space Agency] and GTK [State Tariff Committee] of Russia shall, within a month's time, prepare and submit to the Government of the Russian Federation proposals regarding exempting from taxes and duties all equipment, materials and monetary means coming into the Russian Federation within the framework of technical assistance.

9. Mintopenergo [Ministry of Fuel and Energy] of Russia, Minekonomika of Russia, Minfin of Russia, Minstroy [Ministry of Construction] of Russia, in developing agreements with the American side, shall develop in the 4th quarter of 1995 the basic principles and mechanism for realization of a joint project of technical modernization of systems of heat provision in a number of Russian cities.

10. Mintopenergo of Russia, Minekonomika of Russia, Minfin of Russia, Minnauka [Ministry of Science and Technology Policy] of Russia and Minnats [Ministry on Affairs of Nationalities] of Russia shall prepare and present in the 4th quarter of 1995 to the Government of the Russian Federation their proposals on realization of the Program of Power and Heat Provision to rayons of the Far North, Siberia and the Far East on the basis of non-traditional renewable sources of energy and local types of fuel, with involvement of American firms and organizations.

11. Within two month's time, Minnauka of Russia, in conjunction with interested federal organs of executive power, shall prepare and submit to the Government of the Russian Federation its proposals on interaction with the American Fund for Support of Civil Research and Development for purposes of ensuring joint selection of the Russian projects being financed by it.

12. Minnauka of Russia shall conduct negotiations with NASA [National Aeronautics and Space Administration] and the U.S. Department of Energy regarding cooperation in the sphere of magnetic spectrometry of antimatter in space.

13. Minnauka of Russia, in conjunction with interested federal organs of executive power, and taking into consideration the positions of the American side, shall prepare proposals on organization of effective access of Russian scientific circles to the global computer network "Internet," and shall submit them to the Government of the Russian Federation.

14. Minselkhozprod [Ministry of Agricultural Production] of Russia, in conjunction with interested federal organs of executive power, in the 2nd half of 1995 shall conduct negotiations with the American side regarding preparation of an agreement on cooperation in the sphere of veterinary medicine and an agreement on cooperation in the sphere of quarantine and plant protection.

[Signed] Chairman of the Government of the Russian Federation

V. CHERNOMYRDIN

Commentary

The new face of Russia in economic and scientific-technical cooperation with the USA evokes such questions which neither we nor our partners have ever before encountered.

The published directive of the Government of Russia is clear confirmation of this fact. We must remove the stratification of past years in our relations with the United States. We must tear down the old barriers to development of trade in the form of the discriminatory legislative statutes which are still in effect, as well as the new ones, specifically on anti-dumping procedures.

The broad spectrum of projects which are being discussed with the American side at the present time opens new prospects for bilateral cooperation. Part of them have already been worked out in detail and are ready for signing. Other projects, as for example the cooperation of the Russian Far East and the Pacific coast of the United States, are only being outlined.

Today it is not the volume indicators of trade between our countries which come to the forefront, but the possibility of equal access of goods to our respective domestic markets. Yet for the present time there are many more obstacles for Russian goods. For example: We generally do not have the concept of licensing import goods, since this is typically a non-tariff (i.e., not a market-related) limitation.

Setting quotas on import goods and their anti-dumping procedures are also a rather frequent means of trade limitations on Western markets.

The directive's absence of thematics on cooperation in the sphere of nuclear technology and space is notable.

These directions are most promising, but at the same time they create a maximum of differences. It is enough to recall the American nuclear project in North Korea and the Russian one in Iran. Yet without coordinating positions in these spheres, the relations of our countries will not attain a new level.

*Currency Exchange Rates Published

964E0062A Moscow ROSSIYSKAYA GAZETA (EKONOMICHESKIY SOYUZ SUPPLEMENT) in Russian 30 Sep 95 p 14

[Article based on materials of RIA [Russian Information Agency] "RosBiznesKonsalting:" "The Currency Market"]

[FBIS Translated Text] During the interval of the past week, the exchange rate of the dollar on the Moscow Interbank Currency Exchange (MICE) increased by 30 rubles (R), or 0.67 percent.

Nevertheless, the activity of the currency market remains low. All the weeks which have elapsed since the August liquidity crisis look alike. The average volume of operations at many large banks does not exceed 10-15 percent of the pre-crisis volume. The slight growth in activity last Thursday and Friday was caused by the appearance of several large client orders for the purchase of currency, and the speculation associated with this. By all appearances, this is a short-term phenomenon. Each passing day on the currency market adds more and more pessimism to the mood of the basic players on this market. We may already say that the expected rapid rebirth of the market has become a pipe dream, and that, in the opinion of many dealers, the restoration of former volumes of operations will occur no sooner than in half a year. The number of active market participants remains practically unchanged and comprises 8-10 banks, although we should note the growth in the number of arbitration deals. Many large banks to not want to enter the market until the problems of interbank credit indebtedness are regulated.

The interbank credit market, as before, is very weak and focused on operations between uncoordinated groups of banks. In light of this, the supposition regarding the possibility of a "second wave" of the liquidity crisis appears quite realistic. The fact is that at the moment of acute shortage of monetary means on 24-25 August, certain large banks sold their clients' GKOs [state short-term bonds] in order to make all their payments. Thus, when the term of maturity of these securities arrives, the banks will inevitably once again be faced with problems of liquidity, but it will be very difficult to resolve them under conditions of a very narrow interbank monetary market. We should be especially cautious toward those banks which have sharply intensified their advertising campaigns after the August crisis.

As expected, the average weighted yield on the GKO-OFZ [federal loan bonds] market has declined. The tendency toward growth of prices on state securities is rather stable, and it is unlikely to change. In connection with this, a number of dealers expect a shift of demand from the GKO market to the currency market.

The probability of strong devaluation of the ruble this Fall is extremely small, but many note the lack of correspondence between strengthening of the national currency and the persistent rather difficult state of the national economy. Thus, inflation for the first 20 days of September comprised around 3 percent, while the exchange rate increased by only 0.6 percent. The lagging of the rates of growth in the exchange rate behind inflation, as we know, began back in April of this year, and sooner or later this must be reflected in the currency market.

At the same time, on the interbank market the exchange rate of deals with a term of "tomorrow" has approached the mark of R4,500 per dollar. As we know, before the introduction of the currency "corridor," this level was long viewed by participants in the currency market as the lower limit of effectiveness of export, specifically of processed oil. However, this threshold was passed on 21 July (prior to this, for a month the Central Bank held the exchange rate above this level). After 21 July, at the exchange and on the "interbank," the exchange rate was persistently below this mark. Now the crossing of the limit of R4,500 per dollar, especially at the MICE, will have a strong psychological effect. Such a step will at least strengthen the tendency toward gradual increase in the currency exchange rate within the scope of the announced currency "corridor." This tendency may be seen beginning with 1 August, when the exchange rate on the MICE reached its lowest level in the last 6 months—R4405. After that, the exchange rate began to gradually increase, although the Central Bank also allowed a short-term decline in the exchange rate, so as not to provide the opportunity for large-scale currency speculation. If the indicated tendency continues, in the opinion of experts, three variants of development of events are possible within the next few months.

Results of trading sessions in the U.S. dollar on MICE

Date	Exchange rate, rubles $	Volume of trading sessions, million $	Demand, million $	Supply, million $
20 September	4460	64.93	64.93	64.06
21 September	4467	53.87	25.92	53.87
22 September	4474	73.67	73.70	56.70
25 September	4486	53.12	53.22	35.06
26 September	4491	39.98	26.46	40.01
27 September	4498	26.79	26.85	21.01

First of all, the Central Bank may gradually increase the exchange rate to a level of R4600-R4700 and further limit its fluctuations by the indicated limits. The possibility of such a variant is confirmed by the statements of representatives of the Government of Russia on prolonging and narrowing the currency "corridor" after the new year.

The second variant presupposes the continued increase in the exchange rate of the dollar until the end of the year, to a level of around R4800. Then the new currency "corridor" will be somewhat higher than the current one, although its boundaries, quite probably, will be narrower. Such a variant is most profitable for Russian exporters, which makes it fully realistic.

The third variant presupposes, in case of a new wave of large client sales (and this is quite probable under conditions of a significant positive trade balance of Russia and low rate of growth in the exchange rate of the dollar), that the Central Bank may stop further increases in the exchange rate, and at a certain moment even reduce it once again to the level of approximately R4450.

Each of the indicated variants has sufficient substantiation, and only time will tell which of them is most realistic. However, we may definitely say that the range of fluctuations in the exchange rate this Fall will be much lower than in preceding periods.

Cross-reference of exchange rates of soft currencies (Computed by EKOTASS on the basis of exchange rates of the RF Central Bank, established from 22 September 1995

	Russian ruble	Latvian lat	Lithuanian lit	Estonian krona	Belorussian ruble	Ukrainian karbovanets	Moldavian ley	Kirghiz som	Azerbaijani manat	Armenian dram	Kazakh tenge	Uzbek sum
1000 Russian rubles	-	.120	.895	2.588	2564.760	37878.788	1.015	2.351	990.099	91.408	13.624	7.612
1 Latvian lat	8302.97	-	7.435	21.491	21295.127	314506.489	8.428	19.517	8220.762	758.955	113.119	63.198
1 Lithuanian lit	1116.75	.135	-	2.891	2864.196	42301.135	1.134	2.625	1105.693	102.080	15.215	8.500
1 Estonian krona	386.34	.047	.346	-	990.869	14634.091	.392	.908	382.515	35.314	5.263	2.941

	Russian ruble	Latvian lat	Lithuanian lit	Estonian krona	Belorussian ruble	Ukrainian karbovanets	Moldavian ley	Kirghiz som	Azerbaijani manat	Armenian dram	Kazakh tenge	Uzbek sum
1000 Belorussian rubles	389.90	.047	.349	1.009	-	14768.939	.396	.916	386.040	35.640	5.312	2.968
1000 Ukrainian karbovantsy	26.40	.003	.024	.068	67.710	-	.027	.062	26.139	2.413	.360	.201
1 Moldavian ley	985.20	.119	.882	2.550	2526.802	37318.182	-	2.316	975.446	90.055	13.422	7.499
1 Kirghiz som	425.43	.051	.381	1.101	1091.126	16114.773	.432	-	421.218	38.888	5.796	3.238
100 Azerbaijani manats	101	.012	.090	.261	259.041	3825.758	.103	17.253	-	9.232	1.376	.769
1 Armenian dram	10.94	.001	.010	.028	28.058	414.394	.011	.026	10.832	-	.149	.083
1 Kazakh tenge	73.40	.009	.066	.190	188.253	2780.303	.075	.173	72.673	6.709	-	.559
1 Uzbek sum	131.38	.016	.118	.340	336.958	4976.515	.133	.309	130.079	12.009	1.790	-

*Export Tariff Rates Listed

964E0062B Moscow ROSSIYSKAYA GAZETA in Russian 23 Sep 95 p 10

[Text of Appendix to Russian Federation Government decree of 31 August 995, No 858: "Rates of Export Customs Tariffs" (See also CSO 964E0014B)]

[FBIS Translated Text]

Rates of Export Customs Tariffs

Commodity code according to TN VED [Foreign Economic Activity Commodity Classification]	Brief description of goods (1)	Rates of customs tariffs (in ECU [European currency units] per 1000 kg or in percent of customs valuation)
Group 3		
03	Fish and shellfish, mollusks and other marine invertebrates	7%

Commodity code according to TN VED [Foreign Economic Activity Commodity Classification]	Brief description of goods (1)	Rates of customs tariffs (in ECU [European currency units] per 1000 kg or in percent of customs valuation)
Of these:		
	Fresh or refrigerated:	
0302 12 000	Pacific Ocean salmon	420 ECU
0302 22 000	ocean flounder	525 ECU
0302 40	herring	420 ECU
0302 50	cod	210 ECU
	Frozen:	
0303 10 000	Pacific Ocean salmon	14%
0303 22 000	Atlantic and Danube salmon	14%
	Live, fresh, refrigerated, frozen, dried salted or pickled:	
0306	shellfish	17%
0307	mollusks	17%
Group 10		
1001 16	Wheat, hard	17%
1001 90	Wheat, soft	7%
1005	Corn	10%
Group 12		
1208	Flour and extracted meal from seeds or fruits of oil-bearing crops, except for mustard seeds	7%
1210	Hops	10%
1211	Plants, their individual parts, including seeds and fruits, used for perfume, pharmaceutical, insecticide, fungicide and analogous purposes	10%
1212	Carob tree pods, seaweed and other algae, sugar beets	10%
Group 16		
1604	Prepared or canned fish products; sturgeon roe (black caviar) and caviar substitutes made from roe of other fish	7%
Of these:		
1604 30	sturgeon roe (black caviar) and caviar substitutes	9800 ECU
1605 10 000	crabs	560 ECU
1605 20 000 - 1605 40 000	shrimp and other shellfish	420 ECU
Group 26		
2602 00 006	Manganese ores and concentrates	4 ECU
2603 00 000	Copper ores and concentrates (2)	28 ECU
2604 00 000	Nickel ores and concentrates	140 ECU
2607 00 000	Lead ores and concentrates	7 ECU

Commodity code according to TN VED [Foreign Economic Activity Commodity Classification]	Brief description of goods (1)	Rates of customs tariffs (in ECU [European currency units] per 1000 kg or in percent of customs valuation)
2608 00 000	Zinc ores and concentrates	7 ECU
2610 00 000	Chromium ores and concentrates	3 ECU
2611 00 000	Tungsten ores and concentrates	4 ECU
2612 10	Uranium ores and concentrates	2200 ECU
2612 20	Thorium ores and concentrates	450 ECU
2614 00	Titanium ores and concentrates	110 ECU
2615 10 000	Zirconium ores and concentrates	30 ECU
2615 90 100	Niobium and tantalum ores and concentrates	9000 ECU
2615 90 900	Vanadium ores and concentrates	500 ECU
2616 10 000	Silver ores and concentrates	45000 ECU
2616 90 000	Ores and concentrates of other precious metals	2200 ECU
2617	Other ores and concentrates	110 CU
2620 11 000	Hard zinc (zinc-iron alloy)	6 ECU
2620 19 000	Ashes and other remnants containing primarily zinc, other	6 ECU
	Ashes and other remnants...:	
2620 20 000	containing primarily lead	6 ECU
2620 30 000	containing primarily copper	6 ECU
2620 40 000	containing primarily aluminum	4 ECU
2620 50 000	containing primarily vanadium	30 ECU
2620 90 100	containing primarily nickel	14 ECU
2620 90 200	containing primarily niobium and tantalum	740 ECU
2620 90 300	containing primarily tungsten	30 ECU
2620 90 400	containing primarily tin	14 ECU
2620 90 500	containing primarily molybdenum	60 ECU
2620 90 600	containing primarily titanium	60 ECU
2620 90 700	containing primarily antimony	60 ECU
2620 90 800	containing primarily cobalt	56 ECU
2620 90 910	containing primarily zirconium	60 ECU
Group 27		
2710 00 110, 2710 00 150	Light distillates for refining processes (3)	8 ECU
2710 00 210	White spirit	10 ECU
2710 00 250	Special gasolines, other	14 ECU
2710 00 310	Aviation gasolines	14 ECU
2710 00 330	Other motor gasolines with lead content not to exceed 0.013 g/cubic liter	8 ECU

Commodity code according to TN VED [Foreign Economic Activity Commodity Classification]	Brief description of goods (1)	Rates of customs tariffs (in ECU [European currency units] per 1000 kg or in percent of customs valuation)
2710 00 350	Other motor gasolines with lead content exceeding 0.013 g/cubic liter	8 ECU
2710 00 370	Jet gasoline fuel	14 ECU
2710 00 390	Other light fractions	14 ECU
2710 00 410	Medium distillates for specific refining processes	8 ECU
2710 00 450	Medium distillates for chemical conversions	8 ECU
2710 00 510	Jet fuel	14 ECU
2710 00 550	Kerosene, other	10 ECU
2710 00 610	Gas oils (diesel fuel) for specific refining processes (4)	8 ECU
2710 00 650	Gas oils (diesel fuel) for chemical conversions in processes which are not specified in sub-point 2710 00 610 (4)	8 ECU
2710 00 690	Gas oils (diesel fuel) for other purposes	8 ECU
2710 00 710	Liquid fuels (fuel oil) for specific refining processes (5)	6 ECU
2710 00 750	Liquid fuels (fuel oil) for chemical transformations in processes which are not specified in sub-point 2710 00 710 (5)	6 ECU
2710 00 790	Liquid fuels (fuel oil) for other purposes (5)	6 ECU
2710 00 910 - 2711 00 990	Lubricant oils	1 ECU
2711 12 - 2711 19 000	Rarified gases	3 ECU
Group 28		
2805	Alkaline and alkaline-earth metals	175 ECU
	Of these:	
Iz2805 19 000;	lithium	2400 ECU
2805 21 000	calcium	240 ECU
2805 22 000	strontium and barium	1200 ECU
2805 30	rare earth metals, scandium and yttrium in pure form, mixtures or alloys	4900 ECU
	Of these:	
2805 30 100	mixtures or alloys	490 ECU
2805 40	mercury	105 ECU
2809 10 000	phosphorus oxide (V)	49 ECU
2813 10 000	carbon sulfide (IV)	14 ECU
2814	ammonia	1 ECU
2816	magnesium hydroxide and peroxide; oxides, hydroxides and peroxides or strontium or barium	18 ECU
2817 00 000	zinc oxide; zinc peroxide	70 ECU
2818 (except subpoint 2818 10 000)	artificial corundium of definite or indefinite chemical composition; aluminum oxides, aluminum hydroxide	25 ECU
2820	Manganese oxides	120 ECU

Commodity code according to TN VED [Foreign Economic Activity Commodity Classification]	Brief description of goods (1)	Rates of customs tariffs (in ECU [European currency units] per 1000 kg or in percent of customs valuation)
2821 10 000	Iron oxides and hydroxides	14 ECU
2822 00 000	Cobalt oxides and hydroxides; industrial cobalt oxides	2900 ECU
2823 00 000	Titanium oxides	120 ECU
2824 10 000	Lead oxides	39 ECU
2825	Hydrazine and hydroxylamine and their inorganic salts; other inorganic bases; oxides, hydroxides and peroxides of other metals	42 ECU
2825 70 000	Molybdenum oxides and hydroxides	11 ECU
2825 90 400	Tungsten oxides and hydroxides	11 ECU
2837	Cyanides, cyanide oxides, complex cyanides	42 ECU
	Of these:	
2837 20 000	complex cyanides	28 ECU
2838 00 000	fulminates, cyanates and thiocyanates	21 ECU
2847 00 000	hydrogen peroxide, solidified or non-solidified with urea	7%
2849 10 000	calcium carbide	14 ECU
Group 30		
30	Pharmaceutical products	duty-free
	Of these:	
3005	cotton, gauze, bandages and analogous products	10%
Group 31		
3102	Fertilizers, mineral or chemical nitrogen	2 ECU
3103	Fertilizers, mineral or chemical phosphorus	3 ECU
3104	Fertilizers, mineral or chemical potassium	0.7 ECU
3105	Fertilizers, mineral or chemical containing two or three nutrient elements: nitrogen, phosphorus, potassium; other fertilizers; goods indicated in this group produced in tablets or other analogous forms, or in packages whose gross weight does not exceed 10 kg	0.7 ECU
Group 34		
3403	Lubricant materials	11 ECU
Group 40		
4002 41 000	Chloroprene rubber latex	45 ECU
4002 49 000	Chloroprene rubber	45 ECU
Group 44		
4401 21 000	Chips or shavings from coniferous wood varieties	2%
4403	Unprocessed timber materials, stripped or unstripped, coarse filed or unfiled	6 ECU
	Of these:	

Commodity code according to TN VED [Foreign Economic Activity Commodity Classification]	Brief description of goods (1)	Rates of customs tariffs (in ECU [European currency units] per 1000 kg or in percent of customs valuation)
4403 99	other, from deciduous varieties (except for Karelian birch and ash)	duty-free
4407	Timber materials, longitudinally cut or split, planed, hulled, squared or unsquared	6 ECU
	Of these:	
4407 99	other, from deciduous varieties (except for Karelian birch and ash)	duty-free
4409	lumber materials (including unassembled parquet boards and frieze) in the form of shaped lengths (with joints, channels, grooves, with planed edges, with semi-rounded molding, fashioned, rounded, etc.)	5 ECU
Group 47		
47	Paper pulp from wood; paper and cardboard by-products and waste paper	10%
4701	Wood pulp	10 ECU
4702 00 000	Wood cellulose, soluble grades	7 ECU
4703	Wood cellulose, soda or sulfate, except for soluble varieties	7 ECU
4704	Wood cellulose, sulfite, except for soluble varieties	7 ECU
4704 21 000	Wood cellulose... from coniferous varieties	21 ECU
4707	Waste paper and by-products of paper or cardboard	0.7 ECU
Group 72		
72	Ferrous metals	1 ECU
7202	Ferroalloys	8 ECU
	Of these:	
7202 21 - 7202 29 000	ferrosilicyl	2.5 ECU
7202 41	ferrochromium	2.5 ECU
7202 50 000	ferrosilicochromium	2.5 ECU
Iz7202 99 900	calcium-silicon	5 ECU
7202 99 900	other ferroalloys	12.5 ECU
7218 - 7223 00	stainless steel	6 ECU
Group 73		
73	Products made from ferrous metals	1 ECU
Group 78		
78	Lead and products made from it	49 ECU
Group 79		
79	Zinc and products made from it	21 ECU
Group 80		
80	Tin and products made from it	14 ECU
Group 81		

Commodity code according to TN VED [Foreign Economic Activity Commodity Classification]	Brief description of goods (1)	Rates of customs tariffs (in ECU [European currency units] per 1000 kg or in percent of customs valuation)
8101	Tungsten and products made from it, including by-products and scrap	105 ECU
8102	Molybdenum and products made from it, including by-products and scrap	110 ECU
8103	Tantalum and products made from it, including by-products and scrap	10800 ECU
8104	Magnesium and products made from it, including by-products and scrap	35 ECU
	Of these:	
8104 20 000	by-products and scrap	250 ECU
8105	cobalt matte and other semi-finished products of cobalt metallurgy and products made from it, including by-products and scrap	2800 ECU
8106 00	bismuth and products made from it, including by-products and scrap	490 ECU
8107	Cadmium and products made from it, including by-products and scrap	490 ECU
8106	Titanium and products made from it, including by-products and scrap	35 ECU
	Of these:	
8108 10 900	by-products and scrap	1060
8109	Zirconium and products made from it, including by-products and scrap	980 ECU
8110 00	Antimony and products made from it, including by-products and scrap	200 ECU
	Of these:	
8110 00 900	products made from antimony	490 ECU
8111 00	Manganese and products made from it, including by-products and scrap	74 ECU
8112	Beryllium, chromium, germanium, vanadium, gallium, hafnium, indium, niobium, rhenium, tallium and products made from them, including by-products and scrap	14709 ECU
	Of these:	
8112 20 100 - 8112 20 900	unprocessed chromium, by-products and scrap; powders	780 ECU
Iz8112 20 900	aluminothermic chromium	17 ECU
Iz8112 20 900	electrolytic chromium	110 ECU
8112 30 900	products made from germanium	23500 ECU
Iz8112 91 310	unprocessed niobium; powders	700 ECU
Iz8112 99 300	products made from niobium	700 ECU
8112 91 100, 8112 99 100	hafnium	700 ECU
8112 91 900	gallium, indium, tallium	700 ECU
Group 88		
8802 11 900	Helicopters with unloaded fully equipped weight not to exceed 2000 kg, other	duty-free
8802 12 900	Helicopters with unloaded fully equipped weight exceeding 2000 kg, other	duty-free
8802 20 900	Airplanes and other flight craft with unloaded fully equipped weight not to exceed 2000 kg, other	duty-free

Commodity code according to TN VED [Foreign Economic Activity Commodity Classification]	Brief description of goods (1)	Rates of customs tariffs (in ECU [European currency units] per 1000 kg or in percent of customs valuation)
8802 30 900	Airplanes and other flight craft with unloaded fully equipped weight exceeding 2000 kg, but no more than 15000 kg, other	duty-free
8802 40 900	Airplanes and other flight craft with unloaded fully equipped weight in excess of 15000 kg, other	duty-free
Group 89		
8906 00 100	Military ships	duty-free
8908 00 000	Vessels and other means of flotation, to be scrapped	duty-free
Group 93		
9301 00 000	Combat weapons (except for revolvers, pistols and firearms classified in commodity position 9307)	duty-free
9302 00	Revolvers and pistols (except for those classified in commodity positions 9303 and 9304)	duty-free
9305 10 000	Parts and accessories to revolvers and pistols	duty-free
9305 90 100	parts and accessories to combat weapons indicated in commodity position 9301	duty-free
9306 90 100	Bombs, grenades, torpedoes, mines, missiles and analogous means for conducting combat actions, and their parts for military purposes	duty-free

1) For purposes of application of rates of the export tariff, goods are defined exclusively by the TN VED code. A brief description of the goods is presented only for convenience of application.

2) Copper concentrates with arsenic content in excess of 0.6% are not subject to export duty.

3) From November through March, inclusive - 2 ECU.

4) From October through February, inclusive - 3 ECU.

5) From April through August, inclusive - 3 ECU.

*Decree on Partial Changes in Export Tariff Rates

964E0014B Moscow ROSSIYSKAYA GAZETA in Russian 23 Sep 95 p 5

[Text of Russian Federation Government Decree: "On Partial Change in Rates of Export Customs Duties," signed by Chairman of the RF Government V. Chernomyrdin on 31 August 1995 in Moscow, No 858]

[FBIS Translated Text] For purposes of ensuring the interests of domestic goods producers, stimulating export and implementing measures of effective regulation of foreign economic activity, and also in accordance with the Russian Federation Law, "On the Customs Tariff," and the Edict of the President of the Russian Federation dated 31 August 1995, No 890, "On Measures for Stimulating Export," the Government of the Russian Federation **hereby decrees:**

1. As a partial change to the rates of export customs duties ratified by decree of the Council of Ministers-Government of the Russian Federation on 30 October 1993, No 1103, "On Ratification of Rates of Export Customs Duties and List of Goods to Which They Are Applied," (Collected Statutes of the President and Government of the Russian Federation, 1993, No 45, p 4340) and amended by decree of the Government of the Russian Federation dated 19 July 1994, No 862 (Collected Legislation of the Russian Federation, 1994, No 14, p 1642), the rates of export customs duties and the list of goods to which they are applied shall be established in accordance with the appendix, and shall be implemented as of 1 September 1995.

2. The Ministry of Finance of the Russian Federation, in cooperation with the Ministry of Fuel and Energy of the Russian Federation, the Ministry of Economics of the Russian Federation, the Ministry of Foreign

Economic Relations of the Russian Federation and the State Customs Committee of the Russian Federation, shall, within 10 day's time, submit to the Government of the Russian Federation their proposals on reducing rates of the export customs duty on oil, including gas condensate, and at the same time increasing the differentiated rates of excise tax on oil, including gas condensate, at individual oil and gas drilling enterprises.

3. The following shall be considered as no longer in effect: The decree of the Russian Federation Government dated 29 April 1994, No 410, "On Partial Change in Rates of Export Customs Duties Ratified by Decree of the Council of Ministers-Government of the Russian Federation on 30 October 1993, No 1103, 'On Ratification of Rates of Export Customs Duties and the List of Goods to Which they Are Applied'," (Collected Legislation of the Russian Federation, 1994, No 2, p 108); dated 30 December 1994, No 1439, "On Partial Change in Rates of Export Customs Duties Ratified by Decree of the Council of Ministers-Government of the Russian Federation on 30 October 1993, No 1103, 'On Ratification of Rates of Export Customs Duties and the List of Goods to Which They are Applied'," (Collected Legislation of the Russian Federation, 1995, No 2, p 1480; and of 20 February 1995, No 147, "On Partial Change in Rates on Export Customs Duties Ratified by Decree of the Council of Ministers-Government of the Russian Federation on 30 October 1993, No 1103, 'On Ratification of the Rates of Export Customs Duties and the List of Goods to Which They are Applied" (Collected Legislation of the Russian Federation, 1995, No 9, p 748).

[Signed] Chairman of the Government of the Russian Federation

V. Chernomyrdin

Political Issues

Rules on Gubernatorial Elections Viewed

964F0084A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 9 Oct 95 p 2

[Article by Vadim Manenkov: "Novosibirsk Charter Is Adopted at City Assembly of Deputies: Tolokonskiy Is Not Eager To Remain Mayor"]

[FBIS Translated Text] The chief of the oblast administration will no longer appoint the mayor of Novosibirsk—we ourselves will now begin to elect whomever we want. And the mayor will no longer be able personally to assign the managers of rayon administrations. Now they have to be confirmed at the city assembly of deputies. And the assembly itself will be renamed the city soviet—as soon as possible. Or is it better still to call it the city duma? No, let it still be soviet: The deputies consult with people, and people consults with them, but to call themselves a duma, it must be assumed that our representatives must think they have not reached this stage yet....

That is what the city assembly of deputies decided after approving the city charter in the last session at the end of last week. And the aforementioned argument against the designation "duma" was cited by one of the self-critical deputies.

The mayor will be elected for four years. It has not been decided yet when to hold the elections, but Viktor Tolokonskiy said at the session that he still does not know whether he will propose his candidacy. He did not set out to explain anything regarding his doubts, but I was told in the lobby that they are associated with the difficult financial position of the city. No ray of hope is visible. Whether this is the case or not, the explanation would seem to be logical.

"We entered the fourth quarter with a sharp increase in accounts payable," with this Viktor Tolokonskiy began his report at the session "On the City Budget for the Fourth Quarter of 1995...."

Indeed, the sum of revenue being planned will be 120 billion rubles more than in the third quarter, but expenditures will also increase—in the last quarter they will amount to R493 billion. This despite the fact that the mayor's office has sharply decreased expenditures on capital repairs and has shifted compensation payments for children from the third quarter to the current quarter.

These payments here in the country, incidentally, were handled rather cleverly. Some time ago the Russian authorities decided that it was not necessary to pay compensation to families for children who went to a vocational training school after ninth grade, inasmuch as grants are paid there. This would seem to be quite correct. But later, you see, our authorities ordered that the grants be abolished. As a result, school children up to 16 years of age receive compensation, but pupils of the same age in vocational training schools do not, and they do not get grants.

The city's money difficulties are so bad that the mayor wheedled from the governor R20-30 billion of tax indebtedness of local enterprises for the oblast budget (and he is grateful for this). Tolokonskiy hopes to get from these almost hopeless debtors, if not money, at least some material-technical resources—fuel, pipes, building materials—that the city economy needs.

The mayor's office, of course, is thinking about how to get additional money for the budget. Is has not been decided definitely, but most likely another tax will be conducted on the sale of gasoline. This segment of industry, in Tolokonskiy's words, is a monopoly with a high income, and the new tax will be small, the kind that will not affect prices in an inflationary way. But it is also possible that a fee will be introduced for transit transport passing through the territory of Novosibirsk. This is already being done in other cities. Despite all the endeavors of the mayor's office, the fourth quarter budget will have a deficit: It is planned that expenditure will be R28 billion more than revenue. To make ends meet, it is proposed once again to issue mayoral vouchers, to receive financial assistance from the oblast, and, apparently, to once again take out credit at commercial banks.

The only people the mayor could have made happy at the session are those on public payroll: He said that we have just financed the first wage increase for teachers, and that on 10-11 October doctors will also get more money.

Registration of Election Blocs Continues

964F0086A Moscow NEZAVISIMAYA GAZETA in Russian 5 Oct 95 p 2

[Article by Ivan Rodin: "Supreme Court—Main Enemy of the Central Election Commission: The Latter's Attempts To Interpret the Laws Have Not Succeeded Thus Far"]

[FBIS Translated Text] The National Salvation Front was, for all that, registered as an election bloc at the session of the Central Election Commission on Tuesday evening. This organization had twice been rejected in the Central Election Commission on the grounds that its abbreviated name, FNS [National Salvation Front; Front natsionalnogo spasensiya], that is, would conflict with the name of another bloc—the Union of Investors of Russia-National Salvation Front (FNS)—and that this would disorient the electorate and would, therefore, be contrary to its interests. The National Salvation Front swore that it would not use the menacing abbreviation but the Central Election Commission decided that you cannot conquer or alter the Russian language and that a three-letter word be employed, all the same. But the Supreme Court did not find convincing the references of Nikolay Ryabov, chairman of the Central Election Commission, to the conservatism of the "great and mighty" and decided to register the National Salvation Front. Now the different wings of the once very powerful, but now broken-down, FNS will be able to see which of them is more to the voters' liking, but this will hardly help either of them surmount the 5 percent barrier on the way to the Duma.

The forced registration of the National Salvation Front by decision of the Supreme Court has, in addition to simply wounded pride, caused a serious crack in the shield behind which the Central Election Commission has throughout recent times been taking refuge when adopting this decision or the other. This shield is the interests of the electorate, and its motto: The Central Election Commission defends these rights. It is possible that a second crack, and not simply a crack, a real hole, will be made in this shield quite soon. And once again this hole will be drilled by the Supreme Court.

The point being that at the same session on Tuesday evening the Central Election Commission adopted an explanation concerning the procedure of application of part 10 of Article 42 of the law on elections to the Duma. This part permits a candidate to be registered both on a party slate and in some single-member district. Now the Central Election Commission has explained that only a candidate who has been nominated by a party or a bloc may run both on a slate and in a district simultaneously and that independent candidates nominated by groups of citizens cannot be on some party slate.

It is interesting that earlier the same day the Central Election Commission had certified the party slate of the Bloc of Independents, which has united independent candidates from the regions who decided that it would be no bad thing to avail themselves of federal resources to campaign for themselves and who have for this reason united not on some ideological but on the healthiest—mercantile—grounds. Of course, formally this bloc was founded by two public associations—the United Democratic and Tatar Cultural and Educational Centers—but in reality this ruse fools no one. At the present time all those on the Bloc of Independents party slate are collecting or have already collected signatures in their support and will soon have registered with the district commissions as independent candidates. But when all these signatures have been totaled for registration of the Bloc of Independents party slate, the Central Election Commission will be forced, according to its newly adopted explanation, to cross all its candidates off this slate because they will all have been nominated by groups of constituents, and such candidates are not entitled to run in the federal district. Thus no one will be left on the Bloc of Independents party slate, evidently.

Bloc spokesman Maksim Dianov has already announced that a Supreme Court suit will immediately follow the official publication of the explanation introducing, in his opinion, different "classes" of candidates and thereby violating the rights of those who have found themselves in the "second class." This is not just his opinion, for that matter. As has been learned, a sizable group of specialists of the Central Election Commission and even a small part of its members objected "in the course of business" to the adoption of this explanation. But Nikolay Ryabov, chairman of the Central Election Commission, was among its firm supporters and propagandists.

'Our Future' Candidates From Nalchik

964F0010C Nalchik GAZETA YUGA in Russian 29 Sep 95 p 1

[Zarema Khadartseva, Sergey Pavlov report: "Amina Dzhaboyeva, Leyla Makitova, and Svetlana Ebziyeva Represent 'Our Future'"]

[FBIS Translated Text] The publication in the press of the list of candidates for deputy of the State Duma of the Russian Federation from the Our Future bloc has caused all kinds of commotion. The Press Office of the Kabardino-Balkar Republic Government issued a refutation, asserting that Alika Dzhaboyeva, who, according to the list, had been nominated for the poll in single-member Electoral District No. 13, does not work for the government and never had.

As GAZETA YUGA ascertained, the candidate for deputy is actually called Amina. How the mistake concerning the indication of her place of employment could have arisen was explained to our GAZETA YUGA correspondents by Svetlana Ebziyeva, chairman of the Nalchik Meat- Packing Plant Trade Union Committee: "My daughter, Leyla Makitova, works at the headquarters of the Our Future bloc. As chairman of the Doveriye Investment Fund, she got to know Sazhi Umalatova on one of her business trips, and they became friends. It was Sazhi who invited her to join her bloc. Leyla called me recently from Moscow and asked me to select suitable candidates for deputy. I decided to have a talk with my grand-niece Amina Dzhaboyeva—she had recently defended her thesis for candidate's degree and had returned to Nalchik. Amina agreed to take part in the elections. She was at that moment attending a reception held by the president of the republic on the question of employment and was looking forward to being hired by the government. This is why such information went to Moscow. But we did not specify the particular position, someone in Moscow added this."

Svetlana Ebziyeva herself and Leyla Makitova are on the federal slate of the Our Future bloc. They will run in Kabardino-Balkaria by federal electoral district.

In addition, there are a further three Nalchikers on the federal slate of Sazhi Umalatova's bloc: Rita Akhmatova, who is not currently employed, is running in Kurgan Oblast, Yuriy Markov, senior investigator of the city procuracy, in Rostov Oblast, and his sister, Irina Markova, a student in the History Faculty of the Kabardino-Balkaria State University, together with Amina Dzhaboyeva, in Astrakhan, Kaliningrad, and Kostroma Oblasts and the Republic of Kalmykia-Khalmg Tangch.

Interethnic Union Leader Visits Nalchik

964F0010A Nalchik GAZETA YUGA in Russian 29 Sep 95 p 1

[Zarema Khadartseva report: "I Am Counting on the Support of the Nationals"]

[FBIS Translated Text] Abdulakh Mikitayev, leader of the Interethnic Union election bloc and chairman of the Citizenship Commission of the President of the Russian Federation, has paid a private visit to Nalchik.

In an interview with GAZETA YUGA, Professor Mikitayev announced that his bloc was hoping to muster 8-10 percent of the vote. "I am counting primarily on the support of the nationals. Having worked for several years in the highest echelons of power, I may now say confidently that I have a better understanding than anyone of questions of nationality policy and am prepared to offer a specific program of a solution of nationality problems," he emphasized.

Abdulakh Mikitayev observed that his bloc includes several national movements and that the bloc enjoys the support of the patriarch of the Orthodox Church and the heads of the Muslims and Jews of Russia.

In the top three of the federal slate after Mikitayev come Albert Likhanov, chairman of the Russian Children's Fund, and General of the Army Makhmud Gareyev.

Abdulakh Mikitayev also announced that his bloc did not intend to nominate candidates for deputy in single-member districts in the North Caucasus: "We have done this to avoid confrontation. Candidates have already emerged here." Chechnya is the exception. Aslanbek Aslakhanov, chairman of the All-Russia Association of Law Enforcement Authorities, will be on the single-member district ballot there.

Daut Naloyev is on the Interethnic Union's regional slate for Kabardino-Balkaria. "We have chosen him because we are impressed by his efficiency, energy, and habit of self-reliance. In addition, he has experience. He bested his rivals at the elections to the Kabardino-Balkaria Parliament," Abdulakh Mikitayev observed.

Volgograd 'Our Home' Candidates Named

964F0035A Volgograd VOLGOGRADSKAYA PRAVDA in Russian 12 Aug 95 p 1

[Report by N. Selezneva: "Russia Is Our Home: Delegates Selected, Candidates Nominated"]

[FBIS Translated Text] The first session of the second congress of the Russia Is Our Home [NDR] sociopolitical movement will be held in the capital on 12 August. It is expected that the final lists of candidates for deputy of the State Duma from the NDR bloc will be put together at the congress' second "round," which will be held before the beginning of September.

Within the framework of this event, an expanded council of the NDR's regional branch was convened last Thursday to name its representatives to the congress. The oblast quota is six persons, not counting member of the movement's Central Council I.P. Shabunin. The 14 of 17 members of the NDR oblast council who were present at the meeting and the invited guests unanimously elected L.M. Kirichenko, V.I. Galushkin. L.A. Alferov, L.V. Semergey, A.V. Petrov, and L.P. Tarasov as delegates to the second congress.

They are instructed to deliver to the movement's Central Council a preliminary list of the regional organization's candidates for State Duma deputy from single-seat districts.

Having collected in advance the opinions, appraisals, and proposals from the local level, the executive committee came to the conclusion that in the four districts, which cover all the oblast rayons, the people who enjoy the greatest confidence are:

Volzhskiy Electoral District No. 69—V.A. Nikitin, the current State Duma deputy and coordinator of the Russian regions bloc;

Krasnoarmeyskiy Electoral District No. 70—V.A. Khomutov, director of the mustard plaster plant;

Mikhaylovskiy Electoral District No. 71—V.N. Plotnikov, State Duma deputy, member of the Agrarian Party of Russia;

Tsentralnyy Electoral District No. 72—A.A. Polishchuk, chairman of the oblast committee for working with youth.

Explaining why I.L. Lukashev's name was not mentioned, the meeting chair said that Igor Lvovich apparently will run on the YABloko party list and was not discussing forming a bloc with the NDR.

As to V.A. Nikitin's involvement with the "Rybkin" bloc and V.N. Plotnikov's membership in the Agrarian Party, whose leader M.I. Lapshin announced principal disagreement with V.S. Chernomyrdin's government bloc, L.M. Kirichenko said that these deputies have established themselves as defenders of the oblast's interests, and in general, supporting them in the elections is further proof that an important goal of the NDR is not "placing its people everywhere" but forming a constructive authority capable of dialogue and reasonable compromise. Keeping in mind that nominating candidates is only half the task, and that they need to be supported during the election campaign and in their capacity as deputies, a 21-person coordinating committee was formed, mainly comprising heads of rayons, enterprises, and agencies.

Volgograd 'Our Home' Candidates' List

964F0035B Volgograd VOLGOGRADSKAYA PRAVDA in Russian 23 Aug 95 p 1

[Report by unidentified VOLGOGRADSKAYA PRAVDA correspondent: "Russia Is Our Home: Candidates Selected"]

[FBIS Translated Text] An expanded council of the Volgograd regional branch of the Russia Is Our Home [NDR] sociopolitical movement was held on 23 August. L.M. Kirichenko, first deputy head of the oblast administration, chaired the meeting.

The discussion revolved around the nomination of candidates for deputy of the Russian Federation State Duma to run on the federal electoral district list. Four candidates needed to be approved. The first persons mentioned were V.D. Goryunov, a sports organizer popular among Volgograders and president of the Rotor sports cooperative, and A.V. Maksimov, the oblast duma's youngest member fast rising in politics. The latter also proposed to open the list with the names of candidates running from single-seat districts: V.A. Khomutov, director of the joint-stock company Sarepta, and A.A. Polishchuk, chairman of the oblast committee on youth affairs. These names made the final NDR list. The meeting also named "backup" candidates, who may end up on the list in the event the movement's representatives win in single-seat districts. They are Colonel V.G. Skopenko and L.P. Tarasov.

The expanded council also approved the lists of candidates to be elected as the movement's authorized representatives in electoral districts and authorized representatives of candidates for the State Duma.

*Army Fails as Political Party in Volgograd Election

964F0076A Moscow NEZAVISIMAYA GAZETA in Russian 3 Oct 95 pp 1-2

[Article by Nikolay Ulyanov, under rubric "Boomerang Effect": "Acting as a Party, the Army Lost the Election in Volgograd: But it has still been ordered to prepare and nominate candidates for election as deputies to the State Duma"]

[FBIS Translated Text] The army is outside of politics. That is said correctly and not accidentally. And one has in mind, naturally, not the fact that the army is not a political institution or the fact that military men must be indifferent to political problems. It is simply that the army should not participate in the struggle among the parties, or, at an election, is obliged to act not as a single corporation that operates on command (an election is not a war), but as a social segment consisting of millions of voters, a segment that does not have a uniform party (or secretly party) structure.

The telegram signed by Mikhail Kolesnikov, chief of the General Staff, that was sent on 14 August of this year and that has become available to NG [NEZAVISIMAYA GAZETA], attests to the fact that the army has been given the responsibility of acting as a party (see especially paragraph 3 of the telegram). Why? That is a topic for separate discussion, but one thing is obvious: that step was taken in a direction that is directly opposite to the one with which the army leadership should currently be concerned. And the first political consequences of that step are well illustrated by Sunday's mayoral election in Volgograd, where apparently both historically and factually, taking into consideration the famous General Rokhlin, whose corps is deployed in this region and under whose patronage Colonel Skopenko was prepared for victory at the election, that victory had been guaranteed.

We might recall that Volgograd has become the third Russian city, after Moscow and St. Petersburg, where the mayor is not appointed by the president, but is elected. In addition, the election to the city assembly was also held here.

Both at this and other elections, the military displayed the highest rate of activity. For example, candidates in shoulder boards ran in all 24 districts in the city, and Colonel Skopenko, deputy chief of the Volgograd garrison for indoctrinational work laid claim to the position of the city head.

On election day, as was reported by representatives of the city's electoral commission, the large dissatisfaction of the city dwellers and observers with the candidates caused the shifting around in the areas of the election precincts of military mobile and portable radio sets and the establishment of military patrols, although the city leadership and the city electoral commission had not asked the military for assistance.

Possibly that is the initiative that proved to be the ruin of the military candidates. In any case, these are the election results: in 22 out of 24 districts of Volgograd, the Communists won, and the person who was reelected as city mayor was Yuriy Chekhov, who had left, incidentally, on the eve of the election, the "Our home is Russia" movement. Colonel Skopenko lost the election, although he had operated in accordance with the General Staff directive that is cited below.

Telegram — Document

1. To RF deputy ministers of defense; commanders of military districts; commanders of groups of forces, fleets, armies, corps, and flotillas; commanders (chiefs) of combat arms; chiefs of main and central administrations of the RF Ministry of Defense; commanders of large formations and military units; chiefs of military institutions, military educational institutions, enterprises, and organizations of the RF Ministry of Defense; and military commissars:

A study of the state of affairs in the outlying areas, as well as information arriving from the troops, attests to the fact that in the branches of the armed forces, combat arms, military districts, and the fleets, work is being carried out extremely slowly to execute the edict of the RF president, entitled "Federal Special Program for Raising the Cultural Level of the Voters and Organizers of Elections in the Russian Federation," and the requirements of the directives of RF Minister of Defense, No. D-11-95, and chief of the General Staff of the RF VS [Armed Forces], No. 172/28sh-95.

There have been instances of underestimation and of irresponsibily in executing the assigned tasks. Their implementation has been assigned to persons of secondary importance. Many commanders and chiefs, including appointed heads of working groups, have not been engaging in this work, and some of them are not even acquainted with the content of the documents pertaining to preparation for the election.

In the districts and in the fleets, no clear-cut system has been created for managing all the work of providing technical-organizational and informational support of the preparation for the election. This has manifested itself especially in the formal attitude taken in the outlying areas to the selection of candidates from among the military personnel. Not infrequently the candidates include persons who have been casually selected, who are remote from the army's problems and who are incapable of protecting its interests.

Taking into consideration what has been stated, I demand:

1. Prior to 18 August of this year, in the combat arms, districts, and fleets, and in the main and central administrations of the RF MO [Ministry of Defense], the carrying out of an analysis of the rate of fulfillment of the requirements of Federal Law "Elections," the Federal Special Program For Raising the Cultural Level of the Voters and the Organizers of Elections in the Russian Federation (NG note: directives?), RF minister of defense No. D-11-95, and chief of the General Staff of RF VS, No. 172/28sh-95.

Leaders of working groups are to give reports, an evaluation is to be made of their organizer capabilities and their personal readiness for executing the previously described tasks, and decisions are to be made and to be reported to the subordinate troops.

If necessary, within a three-day period, the assignment of the officials who are responsible for the preparation for the election is to be refined. At such time the responsibility for conducting technical-organizational and informational measures linked with the election is borne by the garrison chiefs, including the military units, institutions, military enterprises, institutions of higher learning, NII [scientific-research institutes], and *voyenkomats* [draft boards] that are deployed on their territory.

The responsibility for organizing interaction and for resolving technical-operational questions with agencies of the military administration of troops (forces) that are deployed on the territory of districts, and of fleets, irrespective of their subordination, is borne by the troop (forces) commanders of the corresponding districts (fleets).

The immediate responsibility for preparing and conducting an election in the troops (forces), institutions, enterprises, institutions of higher learning, NII, and *voyenkomats* is borne by commanders [*komandyushiy*], commanders [*komandir*], chiefs of combat arms and services, and main and central administrations to which they are subordinate.

2. Republic, kray, and oblast military commissars are to organize interaction with the administration heads in the outlying areas, and with veteran and public organizations and movements in the interests of explaining the positions of the RF armed forces, for the purpose of preserving the stability and territorial integrity and security of Russia and supporting the army.

3. Work is to be organized to study and nominate, chiefly for single-mandate districts, independent candidates for election as deputies to the State Duma, individuals from among military personnel on active duty, military personnel in the reserve, and representatives of the VPK [military-industrial complex], who know the life of the army and navy and who are capable of defending the interests of the armed forces, and meetings and discussions are to be conducted with them.

The responsibility for selecting candidates for election as deputies and for the work with them is borne by the officials who support their nomination, as well as their immediate chiefs.

Prior to 25 August, coordinated recommendations concerning the lists of candidates for election as deputies to the State Duma are to be submitted to the RF Ministry of Defense working group for technical-organizational support of the election.

Use is to be made of the opportunities of the election campaign for nominating candidates for election as deputies to the State Duma from among the military personnel who are knowledgeable about the most acute problems of the armed forces, as well as in the interests of military-patriotic indoctrination and increasing the prestige of military service.

4. Interaction is to be established with the command element of units and subdivisions of the MVD, border troops, and other power structures in the outlying areas for providing technical-organizational support for the preparation for the election, and for promoting and supporting the candidates for election as deputies to the State Duma.

5. Interaction is to be organized with regard to technical-organizational questions in the preparation and conducting of the election to the State Duma with the leadership of miliary trade unions and with veteran and other organizations that support the army. Prior to 5 August* of this year meetings with their representatives in the branches of the armed forces, the combat arms, the districts, and the fleets are to planned and carried out.

6. The work that is being done is to be reported in the established procedure.

[Signed] M. Kolesnikov, 13 August 1995.

[Ed. note] * The fact that this date is earlier than the date when the directive was signed is either clerical negligence or testimony that it took a long time to prepare the directive and that it was poorly edited.

Samara Governor 'Optimistic' on 'Our Home'

964F0029A Samara SAMARSKIYE IZVESTIYA in Russian 2 Aug 95 p 2

[Margarita Zhutova report on Samara Governor K. Titov news conference; place and date not given: "Wages, Prices, Elections...."]

[FBIS Translated Text] The day before he goes on leave, Samara Governor K. Titov held a news conference for correspondents of central and local news media. An indifferent topic was announced: the results of the latest meeting of the oblast administration collegium, but the discussion was conceptual.

The difficulty of the life of the provincial authorities, according to K.A. Titov, lies, as before, in the region's insufficient economic independence. And although the arguments with the center are incessant, some things are being resolved in Moscow, for all that. Although we are still a long way off from genuine federalism, budgetary federalism in particular.

It may be concluded from the results of execution of the oblast budget in the first six months that the priorities signified by the forecast of social development are being observed, in the main. Although the difficulties with finances are permanent, many of the items both in education and health care are being maintained. A decision on an increase in pay for employees of the publicly funded sphere to amounts equal to 75 percent of pay in the production sphere has already been adopted. K.A. Titov even declared optimistically that fulfillment of the presidential edict on an increase in the pay of those on the public payroll to the level of the earnings of production workers would be possible also.

The governor went on to deliver a sharp slap at the managers of the enterprises that are sheltering money from taxes, thereby depriving the oblast of the possibility of dynamic development. K.A. Titov also said that much in the way of funds is being eaten up by the swelling managerial apparatus. And whereas he himself is preventing it growing and even reducing it in the oblast administration, he is not at liberty to prevent it in the federal structures.

To a journalist's question as to how long we will content ourselves with the far from comfortable conditions at the local hospitals, the governor said that he could answer exhaustively: Live, they say, according to your means. But he is well aware that this is no answer. Our living standard is changing little by little, but the conditions in the medical institutions are those of the standard of half a century ago. But the construction of an oncology center, where everything will be at the world level, has already begun. Everything will be done according to civilized standards in the modernization of the medical institutions also, of the old buildings of the oncology clinic, for example.

In the governor's opinion, insurance medicine should change the health-care institutions also. This type of medicine means not only a new scheme of financing but primarily control of the quality of medical services.

The question of the increase in the prices of foods is, K.A. Titov believes, extraordinarily complex. Agriculture and processing are cost-plus sectors. The basic costs of foodstuffs are high not only in Russia but in countries with a more developed agrarian sector also. And the fact that "their" foodstuffs are coming to us at dumping prices is only because they are being paid for partially with the credit allocated our country. Thus our credit is going in addition to pay for "their" agrarian sector also.

The increase in customs duty will raise the price of imports, yes. But it will, all the same, protect the Russian agricultural producer to some extent. Support for the agrarian sector is needed, greatly needed—it lags behind here as yet. Operating in the new way and trading—our villager is already learning some of this.

The governor believes that the price increases will, for all that, not be that appreciable. But the measures of social protection for the retirees, large families, and the handicapped need to be reconsidered.

As far as the threat of a sharp reduction—as a consequence of the drought—in the quantity of food products is concerned, this, the governor believes, will not happen. The country has grain, meat, and dairy product reserves, our oblast does also.

The political section of the journalists' questions concerned, in the main, the Samara governor's activity in the leadership of the Russia Is Our Home movement. K.A. Titov has, as before, quite an optimistic view of the prospects of this election association. But he did not fail to mention that the theoretical activity of Mr. Shokhin, who is in charge of the work on the economic section of the NDR [Russia Is Our Home] platform, can hardly be deemed satisfactory. The components of the Federation will hardly care for it since it fails to take account of their interests. The critical pitch of K.A. Titov's remarks was such that it led him to conclude that unless this section of the fundamental document is reworked, "we will hardly be needing such a 'home.'"

As far as the procedure of election to the Federation Council is concerned, here Titov is for the election of senators by the whole of society, not by appointment. If the leaders of a territory truly champion its interests, people will see and appreciate this. And elect them to the Senate.

To conclude the news conference, K. Titov evaluated our province's investment climate as very favorable. It could be compared only with Moscow's, perhaps. Which is bearing real fruit. The Bavarian Bank's allocation of a 1 billion German marks loan, for example, is credit that is practically unprecedented for any Russian oblast. Even now we are already observing an obvious revitalization of our region's economy. New investments will accelerate it.

Rutskoy Addresses Murmansk Electorate

964F0029B Murmansk POLYARNAYA PRAVDA in Russian 11 Aug 95 p 1

[V. Belousov report on news conference given by Aleksandr Rutskoy, leader of the Derzhava social and political movement, at the S.M. Kirov Palace of Culture on 9 August: "Rutskoy Is Afraid Merely of Catching Cold"]

[FBIS Translated Text] Although the election campaign has not yet officially begun, the capital's candidates for a deputy's seat in the State Duma have already become more frequent visitors to our northern climes. We were visited on the heels of Mr. Zhebrovskiy, representative of the LDPR [Liberal Democratic Party of Russia; Liberalno-demokraticheskaya partiya Rossii], by Aleksandr Rutskoy, leader of the Derzhava social and political movement, also.

The former vice president of the Russian Federation and former inmate of Lefortovo Prison emphasized repeatedly at the meeting with journalists and the community of our oblast center that this was not an election trip. He had come to the Kola peninsula to open the territorial branch of Derzhava here. But his speech to the people of Murmansk at the oblast's S.M. Kirov Palace of Culture in the evening of 9 August was at times of a manifestly electioneering nature.

"The main task for all Russians now is to prevent the country suffering the fate of the Soviet Union," he said. "And for this Russia must acquire a political force that can unite the people in the name of the revival and preservation of Russian statehood."

Naturally, General Rutskoy sees as this force the Derzhava social and political movement that he has formed. According to him, Derzhava has every chance of obtaining an overwhelming number of seats in the lower house of the new Russian Parliament, elections to which are scheduled for mid-December of this year. Aleksandr Vladimirovich is counting on this victory affording him an opportunity to contend for the presidency also.

"Our movement is not driven by some particular ideology," he emphasized. "We accept in our organization everyone—communists, monarchists, social democrats. We do not consider ideological views the main thing in life. Our task is to save the country from conclusive collapse."

At the same time, A. Rutskoy observed, membership of his organization also presupposes the great responsibility of each member for the fate of the common cause. To this end people are admitted as members of Derzhava only on a personal application indicating the passport information of each prospective member. And there are already at this time over 1.1 million such persons, according to Aleksandr Vladimirovich, living in 51 regions of the country. Murmansk Oblast has become the 52d region of Russia in which branches of the organization have been formed.

All the data on members of the Derzhava movement are entered into the computer, incidentally. There is nothing like this in any other political bloc, public association, or political party, A. Rutskoy emphasized. For membership of the latter is of a highly conditional nature.

I asked Aleksandr Vladimirovich why three combat generals— Rutskoy, Lebed, and Gromov—who have declared their aspiration to run for the State Duma do not unite in the struggle for power. To which Rutskoy replied:

"There are generals and generals. One has a clear position, another changes it just about three times a day. I place those two generals in this category.

"I have already attempted such an association, incidentally—on 3-4 October 1993" he continued. "Following this, Rutskoy found himself in Lefortovo Prison, and one of the generals you have mentioned began to carry Kozyrev's attache case. The other is making himself out to be heaven knows what, ascribing to himself victories in the Dniester region, when he himself was absolutely uninvolved in this business...."

To another question of mine concerning Boris Yeltsin's chances of victory at the forthcoming presidential elections, Aleksandr Vladimirovich responded evasively, but not without a hint:

"It will all depend on the workings of the 'Election' electronic vote-counting system, which, as instructed by the present national leadership, is currently creating native specialists...."

The general was not sparing here in the use of very unflattering epithets concerning the government and the president. He repeated his arguments in even more sharply worded form at a meeting with the public of Murmansk, after which a Murmansk resident who had been listening to him asked whether he was not afraid of being held to account for his words. To which Rutskoy replied:

"I am now afraid only of catching cold. Nothing else worries me particularly."

It has to be acknowledged that some of the former vice president's remarks met with a most lively response among the participants in the meeting and that his speech was interrupted repeatedly by approbatory applause from those assembled in the hall of the Palace of Culture. Many left the meeting carrying books of the visitor which the latter had providentially brought with him from the capital to organize their sale. Journalists received autographed copies of his book.

Murmansk Single-Member Districts Listed

964F0029C Murmansk POLYARNAYA PRAVDA in Russian 24 Aug 95 p 1

[V. Viktorov report: "The Districts Have Been Carved Out. Candidates, Forward March!"]

[FBIS Translated Text] On 22 August ROSSIYSKAYA GAZETA published the federal law and format of the electoral districts for the elections of deputies of the State Duma. Murmansk Oblast has two districts.

As we know, the oblast's election commission set to work on 11 July. Now (until mid-September) the district election commissions are to be formed. One half of their composition will be proposed by the legislators, the other, by the oblast administration.

Discussion of the nominations for future candidates for the post of deputy of the State Duma is beginning. On 23 August this question was considered by representatives of the oblast branch of the Russia Is Our Home movement.

Format of Single-Member Electoral Districts for the Elections of Deputies of the Second State Duma of the Federal Assembly of the Russian Federation (Murmansk Oblast)[subhead]

Monchegorskiy Electoral District No. 115 (389,567 constituents). District composed of the city of Apatity (center), city of Zaozersk, city of Kandalaksha, city of Kirovsk, city of Monchegorsk, city of Olenegorsk, city of Polyarnyy, city of Polyarnyye Zori, city of Snezhnogorsk, city of Skalistyy, Kovdorskiy Rayon, Kolskiy Rayon, and Pechengskiy Rayon.

Murmanskiy Electoral District No. 116 (383,427 constituents). District composed of the city of Murmansk (center), city of Ostrovnoy, city of Severomorsk, Lovozerskiy Rayon, and Terskiy Rayon.

Lebed Scores Rutskoy, Lists Country's Ills

964F0042A Moscow PRAVDA-5 in Russian 29 Sep-6 Oct 95 pp 8-9

[Interview with Aleksandr Lebed by Ivan Boltovskiy; place and date not given: "Conscience Has Become a Luxury Today, and Many People Have Learned To Do Without It"]

[FBIS Translated Text] The last time I met Aleksandr Ivanovich Lebed he was still wearing a general's uniform. It was probably not easy for him to remove this uniform, with which he had grown together body and soul, and to climb into the skin of an exclusively civilian individual. Now Lebed is a politician. He had essentially become such long since because no officer who serves the people, and does not toady for a hunk of bread, can fail to be a politician. Particularly now, when the country is becoming a bloody jumble, and the Army, a horde of dim-witted mercenaries.

In meeting Lebed, I wanted to understand how an officer who swore to defend Soviet power and the Soviet motherland feels today. After all, only the people can release him from this oath, and at the referendum in the spring of 1991 they not only did not release him but further confirmed their choice.

As a result of the interview I clarified some things for myself, some things I did not. It seemed to me that Aleksandr Ivanovich still has to sort things out and determine his position in some areas.

[Boltovskiy] Aleksandr Ivanovich, another anniversary of the bloody autumn of 1993. Although you were far from Moscow, your name is mentioned frequently in connection with those events. According to Rutskoy, you promised to support him.

[Lebed] Right until recently Aleksandr Vladimirovich was saying that 24 hours prior to the assault I was volunteering to bring an armored column from Tiraspol. I recommended that he take an infantryman who knows arithmetic and ask him to make the calculation, if he himself is incapable of this. Then Rutskoy would see that to get to Moscow you would need at least a week. Provided that sovereign Ukraine would let you through. For the route, however you slice it, runs through Kiev, and you never know what an armored column could have in mind. Aleksandr Vladimirovich heeded the recommendations, and he is now giving a different version—that I called him on 12 September.

[Boltovskiy] When the acting president and his associates surrendered, there remained in the House of Soviets the abandoned mass of its defenders prepared to hold out to the last together with Rutskoy, who had declared a day earlier that he would not walk out of the citadel of the constitution alive. I thought that a captain was always the last to abandon a sinking ship.

[Lebed] The "captain" made a whole number of mistakes. The biggest was the premature replacement of the power ministers. Those newly appointed found themselves in a situation in which they were condemned to choose: Either we now go for broke or we will be shot or sent to Solovki. This, I believe, was why they succumbed to the impulse of the extremists.

And the finale I cannot even call a mistake. After 4 October 1993 Rutskoy ceased to exist for me as an officer. If you are capable of something, only then come out and say that you have decided on such and such. After this, see your intention through to the end. If you sense intrinsically a weak point, do not make a noise, leave yourself a mousehole, and scurry into it. General Rutskoy loudly declared: "I will not be leaving here!" Some time later he began to call around the embassies, wailing: "Save our souls!" and asked to be granted political asylum. He then surrendered, leaving people who had believed him and supported him to fend for themselves.

Rutskoy should have climbed to the 20th floor, stood at an open window, and gone down together with this building, remaining an officer. He acted as he did.

Police, soldiers, and ordinary defenders of the House of Soviets suffered as a result of the carnage. The small "change" in the political game was exchanged, buried, and forgotten. Rutskoy has once again caught of whiff of someone else's smoke. He is out front on his white charger and prancing to power. He hit upon the idea of building Derzhava from professional criminals! But you do not get a state from professional criminals. You get a den of thieves. This is why Aksyuchits, Alksnis—the entire intellectual potential—left his party. Personal ambitions alone remain.

[Boltovskiy] It is astonishing that all the generals and politicians who ineptly lost the confrontation in 1993 are once again laying claim to leadership and are heading into the elections in the front ranks. Aside from ambitions, there is also such a concept as conscience.

[Lebed] Conscience has become a luxury today. And many people have learned to do without it. Look what happens. The participants in the State Emergency Committee spent some time in jail, there was some attempt made to investigate them, they were made out to be fools, may they forgive me this word, and set at liberty. Who was right, who was guilty—this simply remained a secret shrouded in mystery. State Emergency Committee-2 spent about a day inside, someone did some investigating of someone, and once again it all came to nothing. The old story goes on: The more the bloodshed, the less the hope of finding the person responsible.

The deputies of the State Duma were eager to clear their conscience, attempting to form a commission to investigate the events, and clean forgot about their noble intention to do their duty to the fallen and to all the casualties in general. According to the reference which lay on the president's desk, 962 persons were killed. According to the official figures for everyone else, 145, and only 92 graves, for some reason or other. We are now digging up graves of 50 years back and restoring their names to the heroes. And simultaneously installing a marker for the future. In order that our grandchildren and great grandchildren also might have someone to seek out, exhume....

[Boltovskiy] Thinking about what happened in October 1993, do you not think that the shooting up of the Supreme Soviet was possible primarily because the West had directly or indirectly given it the "go-ahead"?

[Lebed] You want me to object? I shall refrain.

[Boltovskiy] Official propaganda, Russian and foreign, managed to create a notion of the defenders of the Constitution as fascists. I recall a huge photo in IZVESTIYA of the Barkashovites with their characteristic salutatory gesture. It was on the pretext of combating fascism that foreign countries supported Yeltsin.

[Lebed] The Barkashovites were parading in front of the House of Soviets, they got into camera shot, created the background, and there it was—the bared teeth of the beast. A maddened wild animal can only be stopped by a bullet. This was the ideology of the shooting. Unfortunately, no one had the presence of mind to take the Barkashovites in hand.

In our country, which paid with an enormous number of lives for the destruction of the brown plague, to line up fascists means to repel an incalculable number of people. Myself included. My grandfather and father went to the front in 1941. My grandfather returned with 11 wounds. He had been a strapping type, but he died at the age of 44. While he was fighting, he kept going on nervous energy, then his nerve gave out. My father came back with one leg five centimeters shorter than the other. I will never stand together with the fascists, whatever attractive goals they proclaim.

[Boltovskiy] The name of Zhirinovskiy, who is depicted in the image of a fearsome Russian nationalist, has long been a permanent presence in Western newspapers. Is the ground not being prepared in this way for power reprisals against the opposition, just to be on the safe side? On the pretext of combating fascism, of course.

[Lebed] I have no definitive information for such a conclusion. But I could argue on some matters. I am prepared to agree that the leader of the LDPR [Liberal Democratic Party of Russia; Liberalno- demokraticheskaya partiya Rossii] did not create himself. He was created. He always makes a great deal of noise, and this strikes everyone as having, perhaps, been contrived. But not everyone notices that when it comes to a decision on serious matters, the Zhirinovskiy faction is for some reason or other always asleep. He hurls himself verbally against Yeltsin, as if breaking loose from his chain! But at the time of the violence against the Supreme Soviet, the lawyer's son remained silent. When the question of the adoption of the presidential constitution arose, Zhirinovskiy rolled over with his paws in the air.

Yet Zhirinovskiy has the largest faction in the Duma. It is strong additionally by the fact that the Zhirinovskiyites operate like well-drilled soldiers. They vote on command. I had a chance to familiarize myself with all the printouts of the roll-call voting. Usually the faction does not vote at all or votes against. On the law concerning a social safety net for servicemen, for example, it voted against to a man. It swears its love for the Army, but in reality there is no sight even of this love.

On what is the Zhirinovskiyites' iron discipline maintained? Ideology? There is none. Boots and the Indian Ocean—that's all there is to the ideology. Money? Very likely. There then arise questions as to where it comes from and who is giving it. And, most important, for what? It is perfectly possible that the way you framed the question makes sense.

[Boltovskiy] A longish interview with you was published not that long since in an opposition newspaper. At the same time this newspaper was actively propagandizing Zhirinovskiy also. You were alongside this figure, as it were. This does not embarrass you?

[Lebed] I have a long and quite complex relationship with the newspaper ZAVTRA. It once praised me unequivocally, then no less unequivocally it would abuse me. I have quite a composed attitude toward both because I have profound respect for the work of journalists. I have repeatedly witnessed how people whose duties include the gathering of information have crawled after it beneath bullets, beneath shrapnel.... They sometimes died here. This is their work. I cannot, therefore, divide publications into good and bad, those that I like and dislike. When the chief editor of ZAVTRA expressed a wish for me to answer his questions, I did so readily. To his credit, he published the interview without any cuts, which is not often the case. I spent almost three hours talking nonsense to a journalist from MOSKOVSKAYA PRAVDA, and the result was a short little paragraph of highly incomprehensible content: the general, the mayor, someone else....went somewhere.... I always ask: Let me see what I have said, and later you may accompany it with any, even a most crushing, commentary.

[Boltovskiy] A recent news conference of yours gave rise to much talk. But I will start at the end. There is in Moscow a kind of Bermuda triangle: Mayor Luzhkov, the Most-Bank, and the newspaper MOSKOVSKIY KOMSOMOLETS. You have on your desk "Revolt of the Nomenklatura," which devotes a whole chapter to the mayor. Having read it, one is persuaded once again that Luzhkov and Chernomyrdin are making common cause and that there is no national bourgeoisie nor can there be, just as there is no national capital. And here we have a news conference of Skokov and Lebed anchored by the chief editor of MOSKOVSKIY KOMSOMOLETS. It would seem that the powerful triangle has become not a quadrangle even but....

[Lebed] I would not want you to be putting this construction on it. I shall explain what happened, and then you can judge what is what. The book you cited is, indeed, on my desk. There are altogether many things on it that have to be read and studied. This notwithstanding, I am not yet prepared to argue about the existence of a triangle and my attitude toward it.

As regards the news conference and the fact that the triangle turned into something or other there.... There was quite an odd collision. A news conference at Journalists' House had been arranged. It was anticipated that it would be anchored by Dmitriy Rogozin, who knows how to do this. When we arrived, we were greeted by Pavel Gusev, chief editor of MOSKOVSKIY KOMSOMOLETS. I personally have no animosity toward him. We entered the room, and Gusev took his seat at the head of the table, himself, without arrangement, assuming the role of anchor. We did not want to cause a row in front of dozens of television cameras! This was how the prefix, which was unplanned, came about, it was born spontaneously.

[Boltovskiy] But this prefix afforded a pretext for idle talk.

[Lebed] And I have said how it all came about. Pavel Gusev told me that he was by conviction a monarchist. He asked whether there are monarchists in our ranks. I said that I did not know of their existence but that were he to join the KRO [Congress of Russian Communities; Kongress russkikh obshchin], there would be one. The discussion was of a semi-jocular nature.

[Boltovskiy] You are usually asked about your view of the dictator Pinochet. A monarch is something new.

[Lebed] I attach no significance to such talk, to be honest.

[Boltovskiy] The newspaper SEGODNYA carried a report containing a reference to a Zyuganov speech in Khabarovsk to the effect that the Communist Party has an informal arrangement on joint actions with the KRO, Ryzhkov's Power to the People movement, and the Agrarian Party. This was news to me.

[Lebed] Unfortunately, I know nothing about these informal arrangements, although I cannot rule them out. You have touched on what is for me a very important issue. We have a country. It has unified armed forces. But the generals have been taken and artificially arranged in various political cells. And, in addition, attempts are being made to set them against one another here. Is this normal? Does this consolidate the army or strengthen the state, perhaps? Wrangling never did anyone any good. Why, then, is it not only being elevated to a rule but, in addition, being encouraged and embellished by singers, actors, and clowns?

Approximately 70 election blocs which have united parties of ignorance, poverty, futility—heaven knows what—have been brought forth! And all recognize only themselves. But we are one people, who should today be thinking primarily about the country, about Russia's salvation, not about the victory of one's own party and only one's own party. Let us save Russia—then we will argue and see which words are more acceptable, which, less. After all, in the majority of cases the differences between irreconcilable opponents come from a reluctance to understand the other party, whereas the essence of the programs is identical.

It is known from history that when each appanage prince would sit behind his personal picket fence, he was either killed or bought off. They were killed until our ancestors had sufficient good sense to unite. However much you may rumble that you are yourself wholly the supreme power, there is no benefit to the country from this. We need to stand shoulder to shoulder. This is why I do not reject alliances with anyone. Except for organizations of a pro-fascist or extremist direction. We are one people!

[Boltovskiy] It is not enough for association to agree that we are one people. Some principle is needed also.

[Lebed] You very often start a conversation with a person who has introduced himself as a friend, but in the process of the conversation it transpires that he is no friend of yours. It happens the other way about also. No party writes in its program that it wants to pull the country apart. But they do. It needs to be judged by deeds who's who. And to unite on the basis of specific deeds. This is the chief principle.

[Boltovskiy] Easily said. What will happen to the chiefs, of whom there are today a host?

[Lebed] It is absurd and galling, but it has so happened that the political stage is filled with a mass of Napoleons and Caesars. There are no others. All think that they and only they will win. And the chiefs are simply unwilling to understand that they are by their actions condemning the people to defeat. Whom are these Napoleons and Caesars dividing? Only the Russian Uncle Vanya, who is "by specialty" a peasant, let's say, by ideology, a communist. There simply is no other ideology.

Uncle Vanya's television is broken, and he cannot buy a new one. It is beyond his means, too expensive. He does not read the newspapers, they are expensive too, and many, in his opinion, write nonsense. The blues take a hold of Uncle Vanya. And on top of all else people are starting to pull him apart. Because you are a communist, let's go with the communists! Because you are a peasant, let's go with the agrarians! And if he should be so unfortunate as to like beer, he is dragged over to the....

The preposterous fleeting glimpses of the politicians is making Uncle Vanya's depression more and more severe. He will then spit on all at once and on each individually. Clearly, you could not lasso him into any elections. If, therefore, the chiefs are thinking in earnest about the people, about the state, they must set aside everything personal and not drive the people to total desperation, when they will sweep away everyone. Both left and right.

[Boltovskiy] Has there been an attempt on your part to establish contact with the communists and the agrarians?

[Lebed] Yes. The communists responded, but things have not gone beyond this relationship as yet. Lapshin has remained silent. He has come to believe for some reason or other that Russia is an agrarian country. And that the peasants can settle all questions themselves.

[Boltovskiy] PRAVDA recently published a government list compiled in the House of Soviets on the tragic night of 3 October 1993, when the president's submachine gunners mowed down the people at Ostankino. It has Glazyev and Zyuganov and Volskiy and Vartazarova.... The first, as head of the government, is Skokov. Is it, then, only bullets overhead that can compel unification? But perhaps there is no problem.... There appeared this summer the Spiritual Legacy movement, which, in the opinion of certain analysts, may be seen to have a link with the Most-Bank and a known proximity to city hall. If it is considered that Resin, Luzhkov's first deputy, is at the same time a big wheel in Chernomyrdin's party, there are, it turns out, no rivals, seemingly? The chain stretches from left to right. Its links are of different colors, but it is a single chain. Hence the country is in reliable hands. You do not figure in the overall picture, it is true. You, as we all know, walk alone.

[Lebed] What you have just said are your inventions. For me, at least. I am still a novice in Moscow dealings. If you want to, you can see anything in any, even the simplest, question.

[Boltovskiy] The KRO's main slogan is "Russians, unite! We have reached danger point!" But Russia has already stepped across the red line beyond which the inevitable breakdown of society begins. The permissible level of the fall of production, say, is 30-40 percent; it has gone beyond 50 percent here.

[Lebed] You mean that everyone should wrap themselves in white sheets and head off in concert for the cemetery?

[Boltovskiy] I would like to see what I am not seeing. According to my observations, your authority is highest among the workers. I have been asked at the plants many times: Invite Lebed. I am sure that even today the workers would follow you. It is naive to hope that the destroyers of the state and the pillagers will give back power at the elections. Yeltsin showed how victory is made. Had it not been for the most powerful miners' strikes, he would have gotten nowhere. Do you intend to work in the regions where the workers represent a real force?

[Lebed] I have a very tight schedule of trips. I have received official invitations from 73 regions. A further three dozen unofficial invitations, approximately. As soon as we have collected the signatures, we shall immediately hit the road.

[Boltovskiy] While you were commander of the 14th Army, there were waves of dissatisfaction coming from the Dniester region at the fact that you were alleged to be exporting weapons on the sly. Now the liquidation of the Army is proceeding openly. And no one, apparently, is troubling your successor.

[Lebed] To say that the Army is being liquidated would not be entirely correct. The hardware is not falling into disuse as yet. That people, specialists, are being driven out and the conditions for plunder are being created—this is true.

Concerning the noise. Not a single specific fact has ever been adduced in this connection because I have done nothing on the sly. If anything has been removed, it is only in accordance with agreements. A truly good relationship has come about between my successor, a hero of the shelling of the Supreme Soviet, and the leaders of the Dniester region. It could not have been otherwise between these people.

[Boltovskiy] The last NATO Council session practically settled the question of the bloc's advancement eastward. This concerns Romania and, consequently, the Dniester region also. None of the Kremlin's loud protests were heeded. Probably because they were, most likely, for show.

[Lebed] This was not for show. The protest was sincere. The protest of an impotent old man, who remembers how he used to be strong and powerful and compelled attention when he roared. Now he has grown old, sits in the corner, and attempts to say something or other out of habit. Sometimes there is a response to his words, he is thrown a polite glance: Sit down, old man, and be quiet.

Any good policy is good when it is backed by strength. Then the good policy enables the citizens of the state to walk with their heads held high and their backs straight and to deliver on behalf of the country speeches to which close attention is paid.

[Boltovskiy] I would like to object as regards the sincerity of the protests. The Russian Army is, in fact, clearing out of the Dniester region, which was and remains as yet our outpost. We are leaving at a time when NATO is moving in this direction. There's word and deed for you!

[Lebed] Very well, let's suppose that the truth lies somewhere in between, and I shall proceed. You ask whether the Army can be rapidly revived? It can be and should be. I proved this in the example of the 14th Army. In 1992, on 23 June, it was half-dead. And a week later it had become very lively even. All questions turn on the organization of the life of society.

[Boltovskiy] On the system of power? Its unnatural character has been manifested best in the procedure, ridiculous to the point of absurdity, of the parliamentary elections. A handful of people in Moscow appoint candidates for the entire boundless country?!

[Lebed] Of course, power should be built not from above but from below. And people should be elected deputies not for their party affiliation and not for the fact that they sit on sacks of money but for their professional attributes. Consequently, they should be nominated locally. By those who know them.

[Boltovskiy] But there was such a procedure in the past. The party bigwigs "adjusted" it considerably, it is true.

[Lebed] All our yesterdays have been completely expunged from life and turned by the present ideologists into utter shame. Victory in the greatest of wars—the shameful past! The conquest of space— the shameful past! All the great construction projects—the shameful past! It is for this reason also that the present day is a complete minus. It is preventing people reaching their potential in life and condemning them to a passive expectation of it is known not what. People are confused, they do not know where to go, whom to follow. The programs of all the parties are identical, all are campaigning for a bright future, for the people. How are people to understand who is speaking sincerely, and who is simply straining after power?

We need to create a system which ensures that man is master on his own land and can dream, be intrepid, and create. Russia is rich not only in its mineral resources but in human talent also. The whole problem is that it is being trampled down and being prevented from rising and occupying its rightful place. For talent to be revealed, each person must have a guiding star, and then he would see a meaning to his life and would derive satisfaction from it, however hard and complex life may be. People are not sheep, and they cannot be forcibly driven into a world that is considered a paradise only because this is what a handful of some clever types have decided. The people must choose their guiding star themselves.

Today, though, no one knows in what kind of country he is living, in what direction society is plodding, what it is building, or whether it is building at all. Are we walking, are we sitting? Where are we? For me these are the most excruciating questions. I strongly suspect that we have plunged into nomenklatura capitalism. Previously the government official had power and limited property and he knew that if he began to act impudently, he would immediately be rejected or thrown out of office. He was for this reason not particularly impudent. Now a government official has acquired property in addition to power. Colossal property! It is this that has produced his colossal impudence.

Privatization has been carried out in the interests of a handful of the population. I have already calculated that my grandfather, who served, my father, who served, myself, who served, and my son, who has not served—we all in four generations have earned one voucher worth 10,000 rubles, for which you cannot even buy a lousy iron. Such is our share of the national property. Shaft, more like! And this despite the fact that we three fools had our fill of fighting, and two of the three departed life before their appointed time. And there are tens of millions such as I! Here's where the problem lies.

[Boltovskiy] This problem will not be resolved without a fundamental change in the system of power.

[Lebed] Absolutely! This is precisely how the Congress of Russian Communities puts it. Enough of living on handouts! Enough of living on promises! Each person should have the opportunity to build his life as far as his powers and capabilities allow. Without the pressure of various "ism's" and all kinds of gentlemen.

KRO Delegates Campaign in Nizhniy Novgorod

964F0109A Moscow SEGODNYA in Russian 7 Oct 95 p 2

[Report by Vyacheslav Chebanov: "Meeting on the Volga: Paths of KRO Activists and Restorers of the USSR Crossed at a Campaign Event in Nizhniy"]

[FBIS Translated Text] Nizhniy Novgorod—Members of the Congress of Russian Communities [KRO] headed by Dmitriy Rogozin, chairman of the party's Executive Committee, and Sergey Glazyev, deputy of the State Duma and chairman of the Committee for Economic Reform, made a stop on their journey on 5 October in Nizhniy Novgorod. Sazhi Umalatova, chairman of the Standing Presidium of the Congress of People's Deputies of the former USSR, and her team: Ivan Shashviashvili, her deputy, and Omar Begov, member of the State Duma and deputy chairman of the Committee for Organizational Work, arrived in the city at this same time.

In an interview granted our SEGODNYA correspondent, Mr. Glazyev said that his arrival had only an indirect bearing on the election campaign. The main purpose of the trip was to discuss with the regional legislative authorities a range of problems that had come up in connection with the planning of the country's economic development in 1996. The regional authorities had, from his viewpoint, found themselves hostages to the government's federal policy.

The cabinet is today proposing that the Duma vote a draft future budget with 1 percent inflation. This, in Mr. Glazyev's opinion, means the physical extermination of part of the population—those on the so-called "public payroll." On the other hand, while failing to resolve the problems with the public deposits of the population, the government is increasing the domestic debt pyramid. The draft budget, however, already contains 12 percent for the payment of interest and for servicing this debt. Thus, according to Sergey Glazyev, the government itself is ratcheting up the inflation spiral. Having toured Russia, Mr. Glazyev has, as he maintains, satisfied himself of the need for a change not of the government's course but of the government itself.

Sazhi Umalatova, leader of the Our Future movement, chatted with local legislators also. At a meeting with representatives of regional branches and political parties Madame Umalatova declared that she "does not have the right not to participate" in the coming elections to the State Duma. Since there is no one to gratify the whole people of the USSR but her, it was to this end that Our Future was formed on 27 August (registered on 8 September). The movement is putting the emphasis in its work, as Madame Umalatova announced, on the youth, women, and those who have never been in office.

Madame Umalatova promised the Nizhegoroders, in the event of her bloc winning the elections, that she would submit as the first legislative motion the adoption of a law on a mental examination of all politicians. According to Mrs. Umalatova's information, this milieu is currently composed of approximately 70 percent schizophrenics.

Madame Umalatova's approach to the rearrangement of Russia was approved, in the main, by elderly Nizhegoroders, among whom there are many Great Patriotic War veterans. They gathered in the evening for a meeting with the people's deputy of the former USSR to receive from her their deserved awards—the Soviet-model anniversary medals "50th Anniversary of the Soviet People's Victory in the 1941-1945 Great Patriotic War" stamped with the inscription "For Our Soviet Motherland." The medal was received by 16 Nizhegoroders, who had refused to accept this award from the hands of local democrats.

While in one hall a charitable concert was being given by the Boyan Chamber Orchestra, during which the KRO collected donations for persecuted Russians, the recipients of the awards presented by Madame Umalatova in another hall responded loudly with "I serve the Soviet Union!"

The next day the two political movements went their separate ways. The KRO headed down the Volga to the city of Cheboksary. Our Future turned left to the city of Kazan.

Social Democrats Unveil Election Program

964F0109B Moscow SEGODNYA in Russian 7 Oct 95 p 2

[Gleb Cherkasov report: "The Social Democrats Have Presented Their Campaign Program"]

[FBIS Translated Text] Gavriil Popov and Vasiliy Lipitskiy, leaders of the Social Democrats election bloc, yesterday presented their campaign program to journalists. If successful at the elections, the social democrats intend to seek either the adoption or the improvement of legislation on the protection of the citizens, on the protection of the youth, "as the country's future" (Mr. Popov considers this a fundamental problem), on the duties of socialism (the preservation of the level of free services that was reached, exemption of retirees from rent, and so forth), on federalism and decentralization, on the public sector of the economy, on privatization, on the fight against inflation, and "on an intensification of the fight against crime, organized crime particularly, and corruption."

Gavriil Popov observed that the social democrats' campaign program does not contain a single line of criticism of the program propositions of other election blocs. According to him, all campaign associations should be divided into two groups: those running for the lower house of parliament and those already present in the Duma. Mr. Popov insists that we should inquire of the latter not what they promise to do but what they have already done.

Speaking of the results of the elections in Volgograd, Gavriil Popov expressed concern at the fact that the military was participating most actively in the election process and noted with pride that there was not a single serviceman on the election slates of the social democrats.

Union of Realists To Go With Rybkin Bloc

964F0109C Moscow SEGODNYA in Russian 7 Oct 95 p 2

[Oleg Kryuchek report: "The Union of Realists Has Been 'Pushed' to the Left, but Eschews Populism, Evidently: Three Sources of Russian Realism — 'Russian Cosmism, Eurasianism, and Humanitarianism'"]

[FBIS Translated Text] Khabarovsk—The recently announced news conference in Khabarovsk of Yuriy Petrov, leader of the Union of Realists movement and former chief of staff of the president of Russia, did not take place, and the journalists who had been invited were forced to content themselves with contact with Vladimir Ovchinnikov, a former functionary of the kray committee of the CPSU and leader of the local branch of the organization. He announced that the Union of Realists would be taking part in the parliamentary elections in the Ivan Rybkin bloc inasmuch as the as yet organizationally infirm movement of Russian "realists" simply had no hope of an independent victory on 17 December 1995.

In the Far East the Union of Realists is coordinating its actions with the artistic unions, youth associations, and Afghan veterans' organizations. Mr. Ovchinnikov complained in the course of the news conference of the failure of the Russian political palette to correspond to generally accepted norms, on account of which the "realists" had been pushed to the left flank by the Russia Is Our Home movement, although Yuriy Petrov had originally contemplated a position exclusively in the center.

A brochure with a popular account of the ideological doctrine of the Union of Realists which was distributed at the news conference attracted the journalists' attention. Our SEGODNYA correspondent learned from this that there are three, no more, no less, sociospiritual sources of realism in Russia, namely: 1) Russian cosmism based on the noospheric-ecological view, 2) Eurasianism, and 3) humanitarianism. By means of imparting to the word "overcoming" its basis meaning, Russia's "realists" headed by Yuriy Petrov intend to "reveal the fundamental causes of the current domestic crisis, which is merely a component of the system-wide crisis of world civilization."

It is significant that of the first five Khabarovsk residents whom our correspondent met after the news conference, none could answer precisely the question of what the noosphere is, and this permits the conclusion that the Union of Realists is one of the few political organizations in present-day Russia that is not enamored of populism.

Derzhava Appeal to Electorate

954F3558D Moscow ZAVTRA in Russian Sep 95 No 37, p 3

[Derzhava appeal, with accompanying photograph of A.V. Rutskoy]

[FBIS Translated Text] DEAR COMPATRIOTS!

Russia is today experiencing a critical moment in its thousand- year history. Not only the fate of all of us but also the fate of our children and the fate of future generations of Russian citizens depends on whether we can unite and halt the present collapse of the fatherland.

Perestroyka and then the "new thinking" introduced to the Soviet Union from the West and "porno-democracy" brought in from there and artificially engrafted onto the body of our society have created in the country a 10-year process of the transition from lengthy perestroyka to accelerated collapse.

....The stratum of pseudo-market dependents producing absolutely nothing and employed only, perhaps, in the sphere of distribution and redistribution is growing in society at an accelerated pace. It is on this foundation that the parasite class of so-called "new Russians," who consist of representatives of the most well-to-do strata of society and who have been able to grow fabulously rich in the plunder of the country and the redistribution of material benefits and resources and who have robbed the people in the guise of "privatization" and "transition to the market," forgetting ethics and conscience in deference to "the original accumulation of capital," has taken shape and become quite firmly entrenched.

Who are these nonpeople? What is their social base? It is, I believe, high time they were named:

First.

The party nomenklatura (members and candidates of the Politburo, members of the Central Committee, secretaries of republic, kray, and oblast organizations). It is they, completely ignoring the objective normalities of the historical development of society and the state, who brought the "building of socialism" to an impasse. Seeing no way out of the actual situation and in the name of preservation of their own power under the cover of the slogans "transition to the market" and "democratic transformations," they mounted a bourgeois-criminal revolution.

Second.

National-mafia clans which emerged from that same Central Committee environment, corrupt officialdom, and part of the intelligentsia, which sold out to the regime.

Third.

The criminal world legalized as pseudo-entrepreneurs. This new class is characterized by exceptionally ugly features: the absence of a collective vision of the world traditional for us, a worshiping of Western values and standards, betrayal of national interests, and the priority of cold calculation over ethics. These, if you will excuse the expression, "new people" have occupied all the key positions not only in the authorities but in all spheres of the life of society: the economy, policy, and culture. Whereas until recently these "people" fleeced the country, the working class, and the peasantry in concealed fashion, taking cover behind the mask of "ardent communists," today, having migrated to the chairs of "democrats" and having removed their masks, they are pillaging out in the open. The economic and production collapse, the political instability, the blood of their compatriots, which is flowing in rivers, and the streams of refugees suits them, for it is these conditions that make it possible to buy up on the cheap and resell to their Western patrons our national resources, exporting the plundered capital overseas. Whence also their main goal: the demoralization of society, the deprivation of its will to resist and organize itself, cultural and moral degradation, and, ultimately, the enslavement of their own compatriots and the creation of the conditions for the unimpeded plunder of the country. It is for the achievement of this goal (at the instigation of the authorities and with the active participation of the West) that channels of the funding of a fifth column baking like pies antinational "parties," "assemblies," "clubs," and "congresses" have been created (some 1,500 social and political organizations had been registered in the Russian Federation as of 1 January 1995).

The result of the subversive activity is there for all to see: An eroded and fragmented society has lost its capacity for confronting political and economic tyranny.

How else to explain Russian citizens' calm reception of:

the Novo Ogarevo process involving the shareout of the USSR among appanage party princes (all the presidents of the "sovereign" states—former members of the Central Committee and candidates and members of the CPSU Central Committee Politburo);

the Belovezha conspiracy, which destroyed the country's state integrity;

the March 1993 Special Order of Rule of the Country;

the results of the voting at the April 1993 referendum;

Yeltsin's "phased constitutional reform" (or, as this figure says, "joint Russian-American revolution") of September-October 1993;

the illegal elections of the State Duma and the illegal adoption of the Constitution in December 1993, which made Yeltsin sole ruler;

the rigging of the results of the vote at the elections to the State Duma and the Federal Assembly and the adoption of the new Constitution of the Russian Federation (the world knows that in respect to the Constitution the authorities threw in an extra 11.5 million forged ballots);

the consent to the total license of the mafia-ruled and corrupt news media and the venal upper stratum of the police, the Special Militia, the internal troops, and the army;

the firing from tanks by the "conqueror army" at the parliament and people to the applause of the swindlers and criminals of the city of Moscow;

the shameful withdrawal of our Western Group of Forces with the dismantling of the monuments to the victor-soldier;

a mortality exceeding the birthrate by a million persons a year.

How to explain that there rose up against all this on a national scale merely a negligible handful of patriots who fell at the barricades of the House of Soviets?

Where are the people, whose face has been spat at, more, whose age-old shrines have been trampled? Where is the great nation, which has been plundered, humiliated, and forced to go begging, receiving handouts of humanitarian aid as a gift from God?

Russia cannot be saved by the creation of another party, of which more than 100 have been generated today, pulling the patriotic forces apart into internecine apartments, or by support for windbags summoning people, as before, to the bright future but by the formation of an all-Russian, mass national popular movement.

It is in this direction that the Derzhava social and patriotic movement consisting of 62 regional organizations is operating. The movement's ranks are growing by the month, and more and more Russians are coming to believe the need for the creation of an association of citizens of Russia that can unite the lacerated society and people of different ideological views in a single force geared to struggle against the traitors and the dismemberers of our fatherland.

How, though, are we to emerge from the present impasse, how to discover our past glory, might, unshakeable faith, and will directing man and society toward a dignified life? How to bring firm order to bear and to establish in society respect for women, old people, the child, and mother and father? By which route to advance?

There are two paths.

The first.

The path that was formulated by the English philosopher Thomas Hobbes: "A people has a natural right to revolution and, consequently, to civil war."

We have already been on this path, and for this reason we cannot even think of allowing ourselves to take it—this would threaten conclusive perdition for Russia.

The second.

The political, legal path.

But this path is possible only in a state based on the rule of law, where the authorities recognize the dominion of the law and society does not tolerate deviations from the rules of law. We have never had such conditions and will not have them in the immediate future. Those who harbor illusions that elections of the representative authorities will be in favor of the "power party" without rigging and falsification, and that the elections for the president of Russia will be held on time, are either naive or do not understand with what they are dealing.

The question arises: What, then, is to be done in this situation? There is only one way out of the impasse—a consolidation of forces and solidarity of action directed by a single force—the Derzhava social and patriotic movement. It is essential to relegate to the deep background all ideological ambitions. It needs to be determined precisely and clearly what is dearer to you: an endless stream of promises that the "bright tomorrow" is just around the corner or a dignified life right now. The Russian should live with compensation in full for his labor and knowing that in his great country he cannot be humiliated and that he is in a position to provide for his family and his old age.

The fate of our country and our children is being decided today. Think about who will really afford you an opportunity to live, not exist, who will bring order to bear, who will revive the country's greatness, and who will build housing and feed the people. Those who have been mocking the country for 78 years or those who have defended people's power not in word but in deed? The choice is yours, and only yours. Do not make a mistake, do not succumb yet again to the honeyed promises. **There can only be one worthy choice—the Derzhava social and patriotic movement!**

[Signed] Aleksandr Rutskoy

1. Aleksandr Vladimirovich Rutskoy
2. Viktor Vasilyevich Kobelev
3. Konstantin Yuryevich Dushenov
4. Aleksandr Ivanovich Kazintsev
5. Rinat Safiyevich Mukhamadiyev
6. Vladimir Ilich Novikov
7. Dzhangir Abasovich Kedrimov
8. Mikhail Dmitriyevich Kuzovkov
9. Ashot Grigoryevich Sarkisyan
10. Aleksandr Annayarovich Stepanov

11. Musa Magometovich Idigov

12. Vladimir Nikolayevich Taranenko.

Failure To Form United Front Deplored

954F3558E Moscow ZAVTRA in Russian Sep 95 No 37, p 3

[Aleksandr Prokhanov statement: "To the Duma!"]

[FBIS Translated Text] We publish the election appeals of four patriotic movements and the central party candidate lists.

We at ZAVTRA are, as before, interested in the fortunes of these movements, each of which, with its own ideology and policy and its own language and ways of pitting itself against the criminal authorities, is endeavoring to overcome the catastrophe into which these authorities have pushed Russia. We have to regretfully acknowledge that it has not been possible to create a united opposition front, which was prevented by the pressure the leaders have experienced on the part of their movements and parties and the incompatibility of the ideological platforms. This does not mean that we will abandon efforts to coordinate the opposition actions after the elections at Duma faction level.

The communists were unable to overcome their split and are taking part in the elections in two associations, the lesser of which, Anpilov-Tyulkin, runs the risk of failing to muster the necessary percentage of votes and thereby of markedly weakening Zyuganov's Communist Party of the Russian Federation.

Rutskoy's Derzhava has gradually lost politicians well known in Russia—Astafyev, Pavlov, Klykov, Alksnsis—and has taken shape in a less precise ideological direction, which is depriving the Rutskoyites of the support of some patriots.

Because of its exotic, inimitable, and unpredictable nature, Zhirinovskiy's LDPR has not increased the range of its partners and has not acquired strategic allies in the shape of the communists and Derzhavniks.

Operating cautiously and circumspectly, the Congress of Russian Communities has taken shape in an integral, relatively organic movement, but it entered high politics quite late, and now Skokov, Lebed, and Glazyev are having to work like gangbusters to make up for the campaigning time that was lost.

What can be said about Ryzhkov and his Power to the People, who once on behalf of the communists dared to aspire to the role of president and who now, having built a chapel in Prokhorovskoye Field, has been unable to unite with Zyuganov? What may be said about Sterligov's Russian National Assembly, which made a noise and held the sound for a while, but which has not become a strong party? What may be said about Barkashov's Russian National Unity, which marched past in camouflaged columns and disappeared like smoke?

The enemy whom the patriots will have to fight is strong and brutal, and this enemy is not only the oil-based Chernomyrdin, who shot up the Supreme Soviet and Groznyy, and not only the gutta- percha Yavlinskiy, who knows Russia from American economic handbooks. But this enemy is time itself, which is ruthlessly destroying the country. Many heroes, who are still spoken of today in recognition of their patriotic contributions, will in December, after the elections, disappear from politics forever, and we, hearing the familiar name, will, puzzled, shrug our shoulders and ask: "Is this the one who, like a madman, wanted to be No. 1 and was unable to overcome his pride and bow before the motherland's grief?" And we shall turn away, restraining ourselves from speaking words of derision about him.

Tuleyev Explains Entry Into Communist Bloc

964F0001A Moscow SOVETSKAYA ROSSIYA in Russian 23 Sep 95 p 4

[Article by Aman Tuleyev, chairman of the Legislative Assembly of Kemerovo Oblast: "Inseparable From the Fate of the People: Why I Am Going With the CPRF"]

[FBIS Translated Text] An amazing country we live in! Ten years ago even people had to explain why they were not members of the Communist Party, today everything has turned around completely. Today all the news media abound in headlines like "Tuleyev—Leader of the KPRF!" [Communist Party of the Russian Federation; Kommunisticheskaya partiya Russkoy Federatsii; CPRF] and "Tuleyev— No. 3 Communist!"

The word "communist" has become a word of abuse, virtually, but there is nothing wrong with it. The communist idea was not thought up by Marx or by Lenin—it goes back to ancient Christianity.

I shall try to explain my position and answer the question, which has unexpectedly become topical, of why I am taking part in the elections in a bloc with the CPRF.

First, I am at this time a nonparty person and am not a member of any party.

Second, let us ponder together honestly and objectively the parties that realistically lay claim to seats in the State Duma and the CPRF itself.

There are at this time only two such realistic parties. They are the power party, which is known to all, essentially the party of President Yeltsin and the heads of the administrations, leaders of all ranks, and big money. It goes by the hypocritical name of Russia Is Our Home. A caring homeowner is always concerned for his home. The people aptly call the "home" of the former, in which everyone drinks to excess and steals and in which waifs and strays and drug addicts are produced a den.

Of all the other parties, it can only be strongly countered today by the Communist Party of the Russian Federation, a party that is in constructive opposition to the ruling regime.

Of the parties that exist currently, it expresses the most precisely, decisively, profoundly, and thoughtfully the interests of the working people—workers, kolkhoz members, and the progressive intelligentsia.

Naturally, I cannot enter into an alliance with people whose political beliefs I do not share and whose activity I consider criminal. For this reason I have made for myself the decision to take part in the coming elections in a united bloc with the CPRF.

And, finally, let us dot all the "i's".

First, the CPRF and the old CPSU are not one and the same thing. The CPSU was essentially not a party. It was a coalesced party and state monopoly which handled absolutely all issues and laid claim to the truth in the final instance.

For this reason the CPSU made mistakes, for which it must bear the responsibility. These mistakes include those such as the right to exist of a sole form of property—state; so-called distribution according to labor, which in practice became downward wage-leveling; command administration in place of planning; the domination of a single ideology, monopoly ownership of the news media, and an unenlightened, militant atheism.

The CPRF is an absolutely new party, a party of "new reds."

Its program presupposes the coexistence of all forms of property, a multi-structure economy, freedom to obtain for one's labor as much as a person truly deserves, without the old wage-leveling, and a respectful attitude toward religion and the church.

And this also is what I would like to ponder together with everyone. It has now become fashionable to call the CPSU a criminal party. But is this deserved?

We would recall that there were 19 million persons in the CPSU. I would not venture to call them criminals, for the majority of them were honest laborers, workers, peasants, and members of the intelligentsia. That there were in the party itself two parties— inner and outer—is another matter. It was this inner party, the party of the ruling elite, which degenerated into the party of national betrayal—into the party of Trotskiy and Vlasov, Yakovlev and Shevardnadze, Gorbachev and Yeltsin.

The modern Communist Party of Russia grew out of the "outer" party. It had in its ranks Sergey Korolev and Yuriy Gagarin, Aleksey Stakhanov and Yegor Drozdetskiy, Ivan Panfilov and Georgiy Zhukov, Mikhail Sholokhoz and Leonid Leonov, Terentiy Maltsev and Igor Kurchatov.

This is the party whose members' sole privilege was to be the first to rise to battle and to work until they dropped. And how can it be forgotten that more than 7 million communists fought at the front? Three million, one out of every two, that is, fell on the battlefield.

The fate of a fighting army is inseparable from the fate of the people. So it was. Why are we betraying the memory of millions of people? And for what were they fighting? So that we might live as we do today?!

Remember: It was under that "criminal party" that man was socially protected. Retirees did not rummage around in garbage cans, there were no problems with the children. They were guaranteed and provided with a happy childhood. Unemployment was an abstract concept.

Let us analyze the activity of the CPRF today, what it has promised and what it has achieved.

The communists did not at previous elections promise people an improvement in their lives under this regime. They said plainly: The Yeltsin regime means the destruction of the Land of Soviets, the demolition of culture, the humiliation of the people. They entered the Federal Assembly to combat this regime. They promised to impede the enshrinement in legislation of the plunder of national property. This they have done. Note, they voted against the government privatization program, against the unrestricted buying and selling of land.

They promised to strive for legislation geared to the protection of the rights of the working people. And they have secured the adoption of laws on veterans and participants in the Great Patriotic War, a rise in the minimum pension and wage, the restoration and protection of savings, the youth, the fight against crime and corruption, the suffrage of the citizens, and local government.

The CPRF called for a vote against the present constitution and warned that it would cause the people only trouble. So, alas, it has.

The Communist Party was also right about the so-called Social Accord Treaty. After all, it all culminated in the war in Chechnya.

The party demanded that the executive be brought under control. The communists recognized and warned the electorate that these authorities had not the desire and would not execute the laws. The latter placed themselves outside of the law long since. For this reason the communists voted no confidence in the government and for the dismissal of the president.

These and many other instances of foresight persuade me that there are in the CPRF people of a high intellectual level who are analyzing contemporary processes and setting the correct reference points.

Only the most indolent fails to notice that the modern communists are "new reds" and that they are not frozen at the level of 1917. They have studied the mistakes of their predecessors and are not about to raze everything to its foundations. They are not summoning people back—to socialism, they are, on the contrary, calling people forward—to socialism.

Such a party evokes trust.

As I have said, the Communist Party of Russia is in constructive opposition to the ruling regime, it has a realistic action program. It knows what it will do when it wins the State Duma elections.

Here are the basic propositions of the program of the new CPRF.

The main thing is to channel all the best that has been accumulated by Russia's thousand-year history and world practice into the revival of the motherland.

The political root of our troubles lies in the antipopular, exploiter nature of our authorities and the absence of control over them and of their answerability to the people. For this reason a reorganization of the political system is essential. The country needs a constitution of genuine government by the people.

The economic root of our troubles lies in the fact that it is currently far more profitable in Russia to "play with money," speculate, and broker than to produce goods. Consequently, it is essential to change economic policy such that it give the domestic producer the advantage.

The social root of all our troubles lies in the infringement of the citizens' rights to labor and recreation, free education and medical assistance, inexpensive housing, and social security. Consequently, for a revival of the spiritual forces of the people it is essential to restore guaranteed socioeconomic rights.

The foreign policy root of our troubles lies in subordination to the interests of the West, the illegal dismemberment of the Soviet Union, and the loss of strategic allies. Consequently, a change of foreign policy course toward protection of the fundamental national- state interests of Russia and the reconstitution of the Union state on a new, economic, basis is essential.

But while a regime of presidential autocracy, whereby the legislative and representative bodies are virtually without rights, persists in the country, the absolute fulfillment of this program is impossible even if we win a parliamentary majority. There will only be success in the event of victory at the presidential elections.

After the parliamentary elections, the communists will endeavor to form in the State Duma and the Federation Council a popular- patriotic majority, whose purpose will be:

1. The return to the citizens of Russia of the guaranteed socioeconomic rights to labor, recreation, living quarters, free education and medical services, a dignified old age, and state price regulation.

2. Restoration of the right of public ownership of the land, mineral resources, water expanses, the strategically important sectors of industry, transport, and communications.

3. The prevention of fratricidal interethnic conflicts.

4. The annulment of the Belovezha agreements and the creation of the conditions for the phased restoration on a voluntary basis of the unified state.

5. The pursuit of an independent foreign policy and the cancellation of international treaties infringing the interests and dignity of Russia.

6. Assurance of the citizens' rights to truthful information and access to the state-owned news media of all social and political forces operating within the framework of the law.

7. The nomination of a worthy candidate for the presidency and the formation of a strong team of managers and professionals with an action program on all the key issues.

Should the candidate of the CPRF be victorious at the elections for president of Russia, a government of national trust would be formed to tackle the following tasks:

First, to pursue a new economic course by means of the reform of tax, credit, and customs policy; the adoption of emergency measures of direct state regulation; the stimulation of capital investments in domestic production; the suppression of the drain overseas of financial and material resources.

Second, to bring the minimum wage, pensions, grants, and allowances into line with the real subsistence level; to seek a freeze and, subsequently, a lowering of consumer prices; to support the family and veterans and to compensate the public for its savings; to put an end to unemployment.

Third, to ruthlessly suppress organized crime and gangsterism.

Fourth, to annul privatization deals struck in circumvention of federal legislation. But the task is not to eliminate property owners but make all citizens real property owners, co-owners of public property, in practice. To introduce a state monopoly on foreign trade in natural resources.

Fifth, to render all peasants assistance and ensure the parity of the prices of industrial and agricultural products. To realize the program of revival of the countryside prepared by the Agrarian Union of Russia.

All this would make it possible to overcome the devastating consequences of the "reforms" and to stabilize the situation.

The culmination of the transitional period would be the convening of a constitutional assembly, which would formulate a draft new basic law of Russia. For their part, the communists undertake to prepare and defend a draft constitution which ensures the power of the working people and that the head of state and the head of the government are subject to the control of the supreme legislative body.

There would thus be an opportunity to put an end to a most tragic period of our history without civil war and further destruction.

Only the people would have the right to decide the fate of Russia.

I agree with this program. This is why I decided to take part in a bloc with the CPRF.

CPRF Candidate Kozlovskiy Interviewed

964F0043A Moscow SOVETSKAYA ROSSIYA in Russian 30 Sep 95 p 6

[Interview with Professor Yevgeniy Aleksandrovich Kozlovskiy, member of the presidium of the Academy of Natural Sciences, by B.M. Rebrik, corresponding member of the Academy of Natural Sciences; place and date not given: "Ye.A. Kozlovskiy, CPRF Deputy Candidate: 'To Regain the Lost Trust of the People....'"]

[FBIS Translated Text] B.M. Rebrik, our steadfast reader, author and corresponding member of the Academy of Natural Sciences of the Russian Federation, interviewed Professor Yevgeniy Aleksandrovich Kozlovskiy, the well-known geologist, honored scientist and technician of the Russian Federation, Lenin Prize Laureate, academician, and member of the presidium of the Academy of Natural Sciences, who went from ordinary geologist in the Far East to minister of geology of the USSR.

[Rebrik] Yevgeniy Aleksandrovich, you are running as a candidate for deputy of the Federal Assembly of the Russian Federation on the Moscow regional group federal slate of the CPRF [Communist Party of the Russian Federation]. Your decision was a surprise to many. What brought it about?

[Kozlovskiy] In the first place, my decision was not made today. I was repeatedly offered the nomination as a candidate for the State Duma. I watched the Duma's work and came to the conclusion that its main "virtue," please excuse me, is incompetence. I do not want to offend all the deputies, but this is true. Second, the main reason is the collapse of the state, the crisis of the so-called reforms, and the intensifying downfall of hopes associated with the reformation of sociopolitical life. A disintegration of social and production activity is evident in practically all indicators. An unprecedented slump is occurring in production: Last year, in comparison with the 1989-1990 level, the decline in the GDP reached almost 50 percent, and the volume of agricultural production was cut in half. It is generally recognized that in 1994 the country's economy was working in a catastrophic mode. Does this not threaten our national security? Will we suffer even more? Third. Who today is proposing clear measures for getting out of the situation that has developed? The communists! It is they who are defending the interests of statehood, having analyzed the mistakes and vulnerable points of their predecessors. What is bad in this? They have realized many things, they have evaluated their past leaders, they have calculated their losses, and they have clearly understood that the masses of deprived and robbed people will never accept a policy of grovelling before the West, and that not everything that was gained through the labor of our fathers and grandfathers should go to a group of people that is pursuing its own interests. I think we are at a turning point: The people realize what they have lost and what they have acquired.

Finally, I will never believe that people are indifferent to the idea of the state—its political essence. When it is said that we are building neither communism nor capitalism, but that.... What kind of cynicism is this? For whom is it intended? Even our Russian muzhik, in the good understanding of this word, before altering a home will calculate a dozen times what to do and how to do it. Indeed, history knows no examples of a society being built where it was not known why and, the main thing, for whom. After all, they, our "teachers" from abroad, know this. They were able to do everything to ensure that our economy be integrated into the general world economy, but as a country specializing in the export of fuel and energy and mineral-raw material resources. This is the prelude to why I agreed to run as a candidate for deputy of the State Duma. And the question: On whose behalf and with what association? Based on a personal, I should say, an agonizing analysis, I came to the conclusion that the communists of Russia are more purposefully and consistently defending the interests of the majority, they remember what we have lost, and they have set the task of raising the common man to be the manager of his own fate through the soviets—the best form of collectivism and democracy. They are not setting the task of changing authority for the sake of authority, but are looking into the root of the matter—they are defending the strengthening of statehood and Russian values. I am impressed by the seriousness of their analysis of the situation and the prospects that can be heard repeatedly in the profound statements of our leader, G. Zyuganov, the desire to make the work of the deputies in the Duma responsive to the voters, to put an end to clownish tricks that are not suitable for such a high organ, and to make the State Duma itself an instrument responsible for reorganization, not a pocket parliament. Read the CPRF pre-election platform carefully, and you will understand that it encompasses almost all aspects of sociopolitical life. It gives an answer to the question of who the contemporary communists are and what they want. But the main thing is that they are talking frankly about what is happening with Russia and what it is necessary to do.

[Rebrik] What is your attitude toward Russia Is Our Home?

[Kozlovskiy] Russia is their home? I do not believe this. Russia was and is the home of the worker, a person devoted to his land, a Russian who is pure and somewhat simple-hearted. Claims can be made, but this is not their home! After all, this is the legalized train of thought of a bureaucracy united by parasitical objectives: to maintain itself. This is the general position. But when you look deeper, you shudder. How was it possible to intrude into a weak sociopolitical life by the break-in method? Think about it—a conglomerate that calls itself a party is established at will from the top, and it is forcefully squeezed into such a fragile thing as unstable internal political activity. Did political forces announce any protest? What do you mean? Some joined, some said nothing. Why? There was a feeling that it was possible to get something out of this. And they did get something! In any case, they got promises. I think that our task is to show the true intent, permit me to say it, of these movements and their participants and to give them a politically mature evaluation. There is only one conclusion: They are worried about tomorrow, inasmuch as people are gradually beginning to see and assess the so- called democrats according to their deeds.

[Rebrik] What is happening with geology? This question does not give rest to many who are associated with the economy and the outlook for the development of the country. After all, you were USSR minister of geology for more than 14 years!

[Kozlovskiy] It is painful for me to look at what is happening with geology. I think that this matter is in the hands of people who are incompetent, who could not oppose the political line, and who distorted the essence and sense of the tasks of geology. It must not be forgotten that geology is the "eyes and ears" of the economy. It is true that the wise A.N. Kosygin told me once that geology is agriculture for industry. It is possible to agree with this. Geology's main purpose is to look to the future! Before the collapse of the USSR we were the only country in the world that was supplied with all the necessary mineral raw materials. In accordance with the concept of unified industrial-economic development, advanced mapping was conducted on the territory of the USSR. This established the basis for a purposeful search for those minerals of which a shortage was developing or could develop. According to explored reserves and the extraction of many minerals, the USSR held either first place or one of the leading places in the world. You will recall that in 1988 the extraction of oil (from condensate) in the USSR amounted to 624 million tonnes (20 percent of world extraction), and gas—718 billion cubic meters (40 percent), coal—772 million tonnes (15 percent). But now?

The breakup of the USSR aggravated the situation in the mineral- raw material complex and disrupted the stability of the raw material base. Now Russia does not have the types of mineral raw material that are necessary for normal economic development. Incidentally, a large raw material base of the oil and gas industry was established in the country in pre-perestroyka times. However, 70 percent of the prospected reserves of oil and 60 percent of the gas have already been assigned to development. The average depletion of oil deposits under development exceeds 50 percent, and a large number of them have moved into a stage of steadily declining extraction. This means that a slowdown in the rate of geological exploration operations, especially in Western Siberia, as well as in other prospective regions, will have a ruinous effect on the development of the oil and gas industry in the very near future.

In addition, the structure and economic parameters of the oil and gas reserves will worsen further. Preparations will require large volumes of geological work and large-scale financial, material, and labor costs. The situation will get worse, because the exploratory work and the extraction of oil and gas are being conducted with a sharp reduction in efficiency. Moreover, Russia now has practically no manganese ore—a very important raw material for ferrous metallurgy (we have only 5 percent of the former all-Union reserves in low-quality ores)—and absolutely inadequate chromium ores. For various reasons the requirement for titanium, lead, zinc, mercury, silver, uranium, and a number of other minerals is not being satisfied by our own resources. And one more alarming fact. In 1993 even the reduced levels of output of very important minerals were not compensated by increments in reserves. The ratio of the increase in reserves to extraction in copper, tungsten, gold, bauxite and lead, molybdenum, and nickel was from 2 to 76 percent. This is a direct way of exacerbating the difficulties of supplying the country with raw materials.

At the same time, destruction of the research system is occurring, structural reorganizations are being conducted for the sake of reorganization, the volume of work is being cut sharply, the material base is being undermined, and an exodus of qualified personnel is going on—all of which completes the picture of ruin. As confirmation of the aforementioned, the volume of deep exploratory drilling for oil and gas and hydrological photography in 1995 compared to 1991 was reduced by 70 percent, and the volume of seismographic prospecting operations—by 50 percent.

But the main thing is that the state significance of geological prospecting work being conducted has decreased sharply, and this cannot help but have an effect on the outlook for the mineral and raw material base of the country. In general, the geological indicators amount to 25-30 percent of the 1991 level. Is it really not understood that geology is the goose that lays the golden egg! Why are we plundering our own mineral resources, and why and with whose blessing are the hairy hands of foreign and our own nouveaux riches reaching out for them. Incidentally, in 1993 Russia exported mineral raw materials in a sum of more than $20 billion. Exports of crude oil amounted to 23 percent of production, gas—15 percent, nickel, copper, and uncut diamonds—40 percent, and so on. At a time when there is such a tense situation with mineral-raw material resources (MSR)! What will happen if in the near future we have to buy mineral raw materials abroad, spending enormous national resources for this?

The conclusion can be drawn from all this that the present leadership is absolutely not interested in the outlook and the basis for the development of the economy, and that the main thing for them is concern over the current bothersome day. In 1994 the volume of investments in geology amounted to 12 percent of the 1991 level. Can this really ensure stable economic development? After all, these are not simple questions. This, in the final analysis, concerns the security of the state. Do you think that the Government of the United States, and other sensible governments, are establishing strategic reserves to no purpose? After all, they started to do this consistently a long time ago. But our concept of state security does not even take the resource situation into account. What is more, as is known, state control over the export abroad of strategically important raw materials has been abolished.

[Rebrik] Yevgeniy Aleksandrovich, at one time N.I. Ryzhkov called his government more intellectual than all those that preceded it....

[Kozlovskiy] I know about this. Time has shown and, I think, the former chairman also convinced himself that this was one of his first mistakes. Although I consider that his main mistake was that he recognized Gorbachev and practically became his accessory in the destruction of such a powerful state as the USSR. I know three previous governmental staffs well, and I am convinced that such a statement is a pure illusion. Indeed, we all saw Ryzhkov's government like the palm of our hands, and saw how it conducted itself under difficult conditions. Six years of talks and promises, and the time slipped by! And what a time! When the people waited and believed!

The mistake was also that they hastened to declare their exclusiveness, without understanding that awfully difficult work was ahead, and that the people would judge them not by their declarations but by their deeds. I am confident that the professional level of the previous Soviet governments was higher. We have all become convinced that we should categorically not entrust personnel questions to some personalities. The current president has graphically demonstrated this for us with his appointments. No objective evaluation mechanism is in operation, the selection of personnel has slipped to the principle of personal devotion, and group interests come into play, as a result of which absolutely mediocre personnel are pushed through, incubator leaders of the Chubays type and people like him.

[Rebrik] I would like to hear several words from you about the "notorious" privileges you had as a former minister.

[Kozlovskiy] What kinds of privileges? A car, an official dacha, vacations.... Look at the privileges today! Who is building palaces in localities near Moscow and throughout Russia, who is sending children to study abroad, who is vacationing abroad at prestigious health resorts (and for what kind of money!)? Here is an example from real life: The ministers who started perestroyka, created the foundations of industries, and went on pension in 1989 receive 200,000 rules per month, and the current ones, who ruined the national economy—R800,000. Compare the two laws "On State Pensions in the RSFSR [Russian Soviet Federated Socialist Republic] of 21 November 1990" and Edict No. 2267 of the president of the Russian Federation of 22 December 1993. So, in truth: "What they fought for was their undoing." The latter of these two documents places the bureaucrat in a privileged position that previous Soviet workers could not even dream about. Do not forget that the ministers of those remote years were under great control. I am confident that this was necessary then and that it is especially necessary now.

But who is controlling them today? How many times has the press accused V. Chernomyrdin, my former colleague, of becoming a rich person in a poor Russia! Has he explained himself? No. But, after all, it is incumbent upon him to do so. Was this possible in former times? The corruption of officials is well known, and we are fed up with it, but there are no personalities! Where do they take the money, and who pays for them? Is there a question here?! Yes, there is a question, one without an answer and, in addition, I am confident that there will be no answer as long as they are in power.

[Rebrik] How do you evaluate the prospects for the development of the Russian state? Is the recreation of our great country possible at some time? Will you promote this as a deputy?

[Kozlovskiy] I have been studying Russian history all my life. Recall how much wisdom, work, and resourcefulness the leaders entrusted in the conciliarism of Russia and its formation. How many enemies were destroyed for their efforts to divide and for betrayal! Russia saw a lot on its path, but the collapse of the USSR, it must be admitted—this was the crime of the century. It should not be forgotten that its initiators were practically lords of the party elite. Unfortunately, the ideologists of the CPSU were at the head of a fifth column that caused a lot of damage to our multinational state. But let us turn to the golden experience of the Great Patriotic War. After all, it was the multinational Union that endured and conquered! We believed in the friendship of the peoples, we believe in it now, and we believe that we are doomed by history to joint development and that our strength lies in it. No kind of West will help us; after all, this is not in its interest. Indeed, why do we need it? I am more impressed by our slogan "For Our Soviet Motherland." But what do we have now? Interethnic enmity and an artificially caused hostility toward the obliging and spiritually rich and noble Russian people. I think and believe that this scum will disappear. The main thing now is to regain the lost trust of the people! I think that the communists of Russia have enormous advantages in this respect.

[Rebrik] In conclusion, how do you evaluate the course of your own life? Do you regret anything?

[Kozlovskiy] No, I do not regret anything. The Motherland has given me a lot: in the days of my youth, weapons in hand for its protection, an education, stability in life, and a deep faith in what I was doing. I will never forget what concern the Motherland showed for us, war lads; after assigning us to a military school, it gave us everything possible for those times so that we would forget what we had lived through and would believe in the future. I am lucky that I saw and still see the fruits of my work. In my footsteps (of course, with colleagues), the city of Solnechnyy was built in the Far East and a whole tin ore rayon that gives the country 30 percent of tin output. Is this not something to be proud of?! My invaluable colleagues and I spent the best 10 years of our life on this. Do we regret it? No, we are proud of it! At one time I was entrusted with the management of a huge branch, and I did everything to ensure that the country and the people would be proud of it and that they worked productively. Is today's mineral-raw material base the work of today's people? No. It is the result of our labor—of a powerful geological cooperative, and it is a pity that it is being used today in such an inefficient way. But I regret, certainly, that the war took almost all my relatives—those who perished, those who were shot, those who were hanged. But they cannot be resurrected. I want my children and grandchildren to feel more confident in life. But you understand that this does not only depend on us now. Well, herein lies the main question: Why?... And so, I agreed to run.

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*CPRF Duma Faction Expert Assesses 1996 Draft Budget

964F0041A Moscow PRAVDA-5 in Russian
No 16, 29 Sep-6 Oct 95 p 4

[Article by Nikolay Savelev, expert of the CPRF faction of the State Duma of the Russian Federation: "So, More—Means Less?"]

[FBIS Translated Text] The 1996 draft budget submitted by the government to the State Duma is an important indicator of government policy and gives a rather precise idea of the government's solvency.

Everyone is interested first and foremost in the financial resources of the budget. This is natural, because the budget is the main instrument for the performance of the state's responsibilities to society.

The price situation has a determinative significance. The purchasing power of money depends on it. The government is forecasting that the increase in prices, and this means the depreciation of money, will be 1.4 times that of 1995.

The price situation forecast is very alarming. While announcing that stabilization is approaching, the government expects that the growth in the gross domestic product (GDP) will exceed the base indices of the law by one and a half times. But no increase in real production will occur. It appears that the GDP will grow almost exclusively due to prices, with a corresponding fulfillment of the income side of the budget with depreciated money.

The CPRF [Communist Party of the Russian Federation] faction in the State Duma, after acquainting itself with the results of the first quarter of 1995, warned that the budget has exceeded the limits of the law and demanded that it be adjusted according to the results of its performance in the first half year.

But on the whole, given the increase in this year's price parameters by a factor of 1.5, and the forecast of a growth of prices from them by a factor of another 1.4, next year's budget ruble will get "lighter" by a factor of almost 2.1 relative to the law on the budget for 1995.

In this situation, the expenditure part of the federal budget shrinks like shagreen leather. According to all basic indicators, it "shrinks" in 1996 from 20 to 70 percent!

In comparable prices, expenditures next year are reduced: for defense—by 23 percent, for basic research and assistance to NTP [scientific and technical potential]—by 14 percent, for industry, power engineering, and construction—by 35 percent, for agriculture—by 33 percent, for education and health services—by 20 percent, and for social security institutions—by 30 percent.

Federal programs are being curtailed by a factor of 1.5 to 3, although not one of them appears this way either in the monetary and material resources balance or in the recalculation of indebtedness.

The state program "Invalid Children" is being cut by 36 percent, and "Children of Chernobyl"—by 31 percent. Federal budget support for shipments to rayons of the Far North is being cut by 70 percent! Appropriations for housing construction for servicemen discharged into the reserve—by 60 percent!

Subsidies to the coal industry will be reduced by a factor of 2.2, if prices for coal this year exceed the world level by a factor of 1.3-1.5. Following this there will be a loss of hundreds of thousands of jobs, and they will then be transferred to foreign owners.

Students are being switched to a contract system of education, which means in fact the introduction of paid higher education.

The compression of the expenditure capabilities of the budget has an even greater impression against the background of the socioeconomic decline that is continuing this year.

According to the results of the first six months of 1995, two-thirds of the people already have incomes below the average level in the country, and half of these are below the subsistence minimum. Calculated in bread equivalent cost, the standard of living of the main proportion of citizens over the "reform" years fell by a factor of 15!

In industry, the proportion of workers with a wage below the subsistence minimum increased for the first half of 1995 by 14 points and amounted to 42 percent. In agriculture, eight out of every 10 workers have earnings below the subsistence minimum, in light industry, health services, education, and culture and art—six to seven persons.

The investment process is moving in the opposite direction from stabilization; all indices of the real sector of the economy point to this.

Capital investments fell by 18 percent, compared to a 28 percent slump last year (in production construction—37 percent). But after all, depreciation of basic assets in industry amounts to 75 percent! The federal investment program has been turned into a fiction. While in 1993-1994 start-ups were barely maintained at 30 percent, in 1995, of 207 commissioned facilities, only one was put into service in the first quarter of 1995, and only five in six months.

The percentage of unprofitable enterprises increased and amounted to 26.1 percent by June 1995. The number increased by a factor of 1.5 in transportation and construction.

A further decline is also occurring in agriculture. The sowing areas in the first half year were reduced by 3 percent, meat production—by 15 percent, the cattle population—by 10 percent, pigs—by 12 percent, and sheep and goats—by 22 percent. In agricultural enterprises (their portion of the volume of agricultural production amounts to 60-70 percent), a reduction is going on in the breeding stock, and the reproduction and preservation of herds is worsening.

Private farms that have barely started to operate are going broke. Supplying the village with mixed fodder has almost completely stopped. Shipments fell by 30 percent from the level of the first half of last year, when the decline was 43 percent as it is.

The country's transportation system is breaking down. In the first half of 1995 the volume of freight shipments fell by 11 percent, compared to a 26 percent decline in the first half of last year.

A catastrophic situation developed with the shipment of cargoes during summer navigation to the Far North. It fell by 40 percent, compared to a decline in the first half of last year by almost half! By the middle of August, of the annual requirement, only 15 percent of the food, two-thirds of the coal, and only 14 percent of the petroleum products had been delivered to Chukotka.

Because of the curtailment in production, 40,000 residents, or almost half of the entire population, were forced to leave Chukotka alone during the last two years. Most of them do not have housing on the mainland, and depreciated savings are not even enough for the trip! Housing settlements at the Ultinskiy ore mining and processing enterprise, four gold mining settlements in Chaunskiy Rayon, the Ozernyy geological settlement, and others were completely closed and are being dismantled.

On the whole GDP in the first half of 1995 fell by 4 percent, the volume of industrial production—by 3 percent from the "record" levels of last year's decline. The biggest reduction is in machine-building and metalworking and the timber and woodworking industry. Light industry is completely destroyed—a 36 percent decline compared to 41 percent last year!

*Dolgolaptev on Regional Integration

954F3577A Moscow PRAVDA in Russian 19 Sep 95 p 2

[Interview with A.V. Dolgolaptev, deputy chairman of the Federation Council of the Russian Federation, by Igor Pestun; place and date not given: "While Waiting for the Response of the Government, the Regions Have Pulled It Along With Them"]

[FBIS Translated Text] A report came through a few days ago that seven oblasts of Russia, having established the All-Russia Regional Development Bank, had invited the government to take part in it. This fact would not seem insignificant if we recall the censure of the government constantly on the lips of the governors for it being "unwilling to share power." Ultimately, a shareout of financial power has never been calm and composed. Should the creation of the "provincial bank" be seen as evidence that Moscow is being denied trust? This was the question that launched our interview with A.V. Dolgolaptev, deputy chairman of the Federation Council of the Russian Federation.

"It has to be acknowledged that a certain lessening of the political role of the center in the life of the country is taking place at this time," Anatoliy Vasilyevich replied. "It is, in any event, moving away from its dominating, overwhelming function.

"Let us go back several years. On the eve of the 1992 reforms we had an economy in which there was objectively a powerful crossflow of finances, whereby the raw material sectors afforded an opportunity for the support of the backward sectors. And, then, the valves of this flow are shut off overnight, and identical taxation is introduced. Those who used to receive funds were doomed. Those who used to give them are obtaining super-profits, which are flowing out of the country via the financial 'pipe.'

"It is natural that the heartland has always endeavored to use its influence on Moscow for a solution of its own problems. Everyone knows the names of such decisive local leaders as M. Shaymiyev, E. Rossel.... The essence of their actions geared to the achievement of special arrangements with Moscow can hardly be called optimum for Russia. Because the formation of relations with the center based on a trade in some concessions and privileges would inevitably lead to the infringement of the interests of other regions.

"Another path—the interaction of the regions for the presentation to the center of concerted interests—is far more promising. A field for constructive 'center-regions' dialogue is emerging. There are eight interregional economic interaction associations in Russia today. They are not getting together for idle discussion. The Siberian Agreement association, for example, recently conducted with the participation of other associations a thorough analysis of the 1996 draft budget. Agreement was reached with the government that the year's budget would not only reflect the 'momentary' state of the regions but also take account of their retrospective. The particular features of the North, assimilation of the special-drive method, and the gradual move of people to the 'mainland,' say. Or the mass transfer of the enormous amount of property in the social sphere.

"The formation of a regional development bank is a fact that is unparalleled in our contemporary history. Formed with shares of Tatarstan, Irkutsk, Moscow, Leningrad, Orel, and Kaliningrad Oblasts, and the Khanty-Mansi Okrug, it will form a financial and credit system for specific regional projects and will not require government guarantees. For the first time following certain attempts at the creation of credit and financial systems where the regions call the tune, the government has supported this decision."

[Pestun] When the premier or his deputies fly to the heartland, we always see them being followed by crowds of directors. They all need funds. How many petitioners there are in Moscow! What will change now?

[Dolgolaptev] Well, everything. Even today the holders of credit resources, state and foreign included, are providing substantial sums on the strength of this original format of regional guarantees. Instead of bowing in government reception areas, the governors are meeting on the watchdog council and determining their actions.

The immediate plans include the modernization of ports in Leningrad Oblast. It will not only provide employment but will also resolve the problem of exports of products from other regions.

Let us take gas supply. It could improve the living conditions of the rural population, but it could primarily impart a new quality to industrial activity. For the gas-based processing of agricultural products is two or three times more profitable than with other sources of energy.

There are rapid cost-recovery projects. It is clear to me, as a specialist, that with the economic upturn we will experience an energy-supply shortage. Our powerful "Union" power systems are quite efficient, but the equipment of the immediate consumers is cumbersome and voracious. It is obvious that modernization of the power-engineering equipment plant in Sukhinichy would increase the efficiency of "small" power engineering considerably.

Such integration of the regions is a hundred times more important than totally nonbinding cooperation agreements....

[Pestun] We have come to know at the dinner table about the resolve of the heartland to manage an independent economy. For about seven years now Moscow officials have refrained from "interfering" in agriculture, and our cities, the capital included, are without homegrown produce. Who bears the responsibility?

[Dolgolaptev] The state, of course.

I worked in Moscow Oblast for a long time and I know it well. It has the most powerful agrarian potential and had dairy stockbreeding and poultry breeding at practically the world level. Why did this sector begin to fall apart? Because the forage market (the oblast needs 1 million tonnes of forage grain a year) slipped out of state control. At the same time, on the other hand, enormous amounts of food purchased at dumping prices appeared on the domestic Moscow market. It is clear that in such a price race our producer is doomed, and we have been forced to eat overseas chicken fryer parts. A flexible, well-considered state customs policy permitting our producer to get back on his feet is needed.

This problem could be attributed to the general goals of the country which cannot be accomplished on the principles of the self-organization of the regions.

[Pestun] But it would seem that the "common" goals dominate the local ones as yet. People have been accustomed to expect fair and judicious decisions from the center. Will the integration of the regions not exacerbate what is already the uneasy coexistence of the authorities?

[Dolgolaptev] I am a consistent supporter of the fact that Russia is an independent civilization with a number of fundamental specific features. Immense geographical expanses. Natural resources of outstanding variety and volume. A unique culture—as a consequence of the long interaction of people of hundreds of nationalities of all world religions. Russia knew no serious interethnic conflicts for centuries, and in the Soviet period, for decades, here. Perhaps this is the condition to which the world should aspire in order to avert global threats? Perhaps the world needs us in so diverse a manifestation?...

Any reasonable person will say that so complex a system cannot exist on the principles of self-organization. Until there is a central core in the executive, nothing good eventuates. And we demolished it. The unthinkable happened—producers and consumers severed by railroad tariffs, the severed language of interethnic communication—the list is endless....

So how inevitable are the contradictions of the authorities? This is a political question. Everything will depend on whether we find the forces that will carefully, but consistently, champion the process of the integration of the regions. These are the forces of pragmatists channeling their actions toward an upturn in the national economy, finances, and research. For any idea of social justice in a poor country lacking a developed industry is doomed.

I pay tribute to people (like, for example, Yegor Stroyev, governor of Orel Oblast) who are convinced that the authorities should influence people increasingly less, but realize their interests increasingly more. It is on this that regional policy should be built, not on distributing handouts on an emergency basis city by city—now to the miners, now to the defense industry workers, now to the teachers.... It is time for us to determine our position. Either to take advantage of the source that still exists—the financial "pipe" flowing out of the country. Or to let everything take its own course and reap the destructive consequences.

Simply going around Moscow and proving that a regional policy is needed is, as we have seen for ourselves, utterly futile.

Crime Expert on Organized Crime, Yuzbashev

964F0014A Moscow OBSHCHAYA GAZETA in Russian 21-27 Sep 95 No 38, p 7

[Interview with crime expert Dmitriy Medvedev by Maksim Glikin, under the "Crime" rubric; place and date not given: "....And the Homeland Met a Gangster. The Hidden Reasons for the Return of Akop Yuzbashev to the Bosom of Russian Jurisprudence"]

[FBIS Translated Text] Who Yuzbashev is has long been known by all. Much has been written about him, and in detail. Since Akop was (and is) a pillar of Russian organized crime. After a series of murders, he disappeared. And was placed on the wanted list. He surfaced in Israel. And from there recently, with no particular fuss, he returned to his homeland. The return of the fugitive was marked by two large articles in KOMMERSANT (they came out one after the other over two weeks). In them, the "papa" [gang leader] appears just short of being a great martyr, and at any rate as a person who is interesting, with a conscience, and extremely useful for today's society. AND NO ONE IS PLANNING ON ARRESTING HIM!

For an explanation of this paradox, we turned to Dmitriy Medvedev, who until recently worked as the head of the department dealing with leaders of the criminal world under the Organized Crime Directorate of the Ministry of Internal Affairs [MVD] of Russia. In June 1993, through the efforts of Medvedev and his group, the gang of the Moscow suburban crime lord Yuzbashev was broken up....

[Glikin] Journalists connect Yuzbashev's sudden arrival in Russia with his having received guarantees of immunity from high MVD officials in exchange for compromising material on the odious Yakubovskiy, with whom Akop met in Israel.

[Medvedev] Truly, when an MVD delegation visited Israel, Yuzbashev persistently tried to get a meeting with Yerin. As a result, he was seen by ministerial aide Saveliy Tessis, who told me about the content of their conversation. Yuzbashev asserted that he had compromising material on famous people, including on Yakubovskiy, and that he was prepared to share it in exchange for the guarantee that you mentioned. In response, he was told that they would give no such guarantees, but that if his conscience were clean, let him come.

[Glikin] Is it certain that he had met with Yakubovskiy in Israel?

[Medvedev] We had information about these contacts. However, the content of Yuzbashev's conversations with the lawyer are not known. They write about the idea of playing the float with funds intended for repayment of Russia's foreign debt. I think that that is an attempt at covering up tracks. The main aim of Yakubovskiy's arrival in Israel—and this is completely proven by the investigation materials in his case—consisted in the clarification of details of the upcoming theft of manuscripts from the St. Petersburg library. Also proven is Yakubovskiy's connection with six Israelis participating in the organization of that burglary. They will be tried according to their laws there. Taking into account that the conversations of "the No. 1 lawyer" and Yuzbashev took place not long before the burglary, it is not to be ruled out that it was precisely Akop, who had extensive connections in international criminal circles, brought the lawyer together with the future executors.

[Glikin] But let us return to old Yuzbashev business. After all, of the materials published in that same KOMMERSANT, one can come to only one conclusion: He is of crystalline purity both before the law and before man.

[Medvedev] That is a lie. I am not going to judge the reasons for it. I will say only that Yuzbashev needs it very much. Although we must assume that others do as well.... About Yuzbashev's racketeering gang, which held the entire suburban Moscow Pushkinskiy Rayon in fear, a fair amount has been written, including in OBSHCHAYA GAZETA. It was the largest regional criminal grouping. I will linger on the more legal "business" of our hero. Back in 1993, we inspected his main firm, Torolla Production, which he controlled through front men even after his exodus to Israel. We confiscated 300 barrels of alcohol—judging by the forged documents and the high fusel oil content, manufactured in a primitive way in an underground distillery. We busted a vodka plant in the settlement of Lesnoy, where Stolichnaya and Rasputin were being produced without a license. Other vodka production that we turned up was camouflaged under the output of innocuous fruit drinks; in this vodka, the fusel oils exceeded the allowed norm by a factor of two. Payments for the alcohol were made in cash, naturally, and moreover in dollars, and this is a pure case of Article 88 of the Criminal Code—that is, violation of the rules of currency transactions. Intensified and skilled verification of these facts was conducted by the Moscow Oblast's economic crime directorate. But one of Yuzbashev's men wrote out a statement to the effect that economic crime directorate officers had extorted a bribe from him. A counterexamination was immediately begun. And as a result, they put the brakes on the case. And vodka is being manufactured in Lesnoy to this day. This is all apropos of the question of Yuzbashev's purity before the law. And before man, too.

[Glikin] They said that Yuzbashev laundered his money in thoroughly decent firms.

[Medvedev] Of course he laundered it. For example, in the firm of the famous couturier Yudashkin. Taking direct participation in the creation of his studio on Kutuzov Prospect were the "falconets" ["sokolyata"]—the brothers Sokolov, in their time trusty Yuzbashevites. Soon after that, Anatoliy and Sergey Sokolov attempted to detach themselves from the "papa," which brought down his terrible wrath. A war began. As a result, both "falconets" went to prison. Anatoliy was taken by my guys, because the oblast internal affairs directorate "could not" find him for two months. The Sokolovs were accused, among other things, of kidnapping Yuzbashev's daughter Karina. This was not confirmed during the course of the investigation. Many people consider the daughter's kidnapping to be a frame-up organized by the local police. The goal being the arrest of the brothers, who had become objectionable to Yuzbashev. I readily believe this.

[Glikin] Does the investigation have any information on the current financial interactions of Yuzbashev and Yudashkin?

[Medvedev] No one has checked out this firm especially. I do not think, however, that Yuzbashev has at any time engaged in philanthropy. But as a minimum he derived political capital from his interaction with the firm. At its head was Lyudmila Rutskaya, the wife of the then vice president of Russia. During a search at Yuzbashev's dacha, a photograph was found, showing Lyudmila Rutskaya and Akop Yuzbashev together at a couturiers forum in Paris.

[Glikin] They say that the former vice president made the acquaintance of the criminal elements presented on the electoral list of Rutskoy's party, the State Power Party, not without the mediation of his friend Yuzbashev.

[Medvedev] Rutskoy was in fact very friendly with Akop, and, it seems, did not conceal this. More than once he went to Yuzbashev's dacha and steamed with his friend in the Russian bath. Rutskoy signed petitions on the apportionment of lands for Yuzbashev's projects in Pushkinskiy Rayon. However, he did not offer any opposition to the investigation. On the other hand, we did not dig under Rutskoy in particular (and attempts are being made to blame us for this).

[Glikin] Rutskoy relaxed at that same dacha where, during a search, you confiscated about 20 firearms?

[Medvedev] And detained 20 gangsters. The details of this operation were greatly distorted in the publications dedicated to it. In general, this case became overgrown with invention. People are shoved into a reservoir under electrical equipment with current running through it only in lousy movie thrillers. But the arsenal found at the dacha really would interest the moviemakers. Eight submachine guns, a sniper rifle, more than 10 grenades, TNT charges—is that not a lot for an honest (supposedly) businessman? By the way, several firearms, according to FBI specialists, were at the time used exclusively by the NATO special services. About 10 firearms were found in the possession of a man who occupied the position of work superintendent in Yuzbashev's firm. In Akop's car were found three foreign-travel passports, one of which was a diplomatic one.

[Glikin] Now Yuzbashev is a diplomat too?

[Medvedev] The documents were drawn up in good order. Later we were able to get a criminal case of bribery instituted against an official of the Foreign Affairs Ministry. And a leading official, at that. This passport cost Yuzbashev "only" a thousand "greenbacks." This was split by the above-mentioned official and an intermediary, a certain Zarezov. Both during the course of the investigation frankly confessed and returned the remaining unspent dollars. It was for just this incident that the warrants were received for Yuzbashev's arrest and transportation to prison. When he went on the lam, the case was suspended. But to this day, it has not been closed, as KOMMERSANT tries to convince the public. The warrant for Yuzbashev's arrest remains in force, and he could be taken into custody at any moment. According to our information, he is now in Moscow, and from time to time he goes to his native Pushkinskiy Rayon.

[Glikin] A report has appeared to the effect that the local police have even extended their protection to the returning "papa." So it turns out that even that is possible?

[Medvedev] That does not surprise me. And why not—in their time off from the service, using TO&E weapons.... Money decides everything—and Yuzbashev has it. He buys both police employees and the votaries of Themis.... What does it cost him to buy (or frighten) a journalist? In not a single country in the world does a gangster on the wanted list feel so free and easy as here. Incidentally, Yuzbashev did not only leave from Tel Aviv, he again fled. The special services there were not letting him alone. A high- class specialist, the police general Tal, was devoting himself to him in real earnest. According to certain information, the "entrepreneur" at first moved to America, but he was thrown out of there as well. A Russian criminal can come to Russia without fear of being arrested on the tarmac. Recently, we gave American justice Yuzbashev's friends and colleagues—David Shuster and Dmitriy Belokopytov, our former citizens. Fortunately, now they are Americans—and could receive for their financial machinations and tax evasion 420 years apiece. Whereas here, even the armed members of Yuzbashev's gang served no more than two years.

[Glikin] And even Yuzbashev is now being accused, as I understand it, only of giving bribes.

[Medvedev] Whereas he should have been tried as a gang leader. After all, a gang is an established armed grouping, created for the perpetration of crimes. And it was precisely a gang that Yuzbashev created. Unfortunately, the criminal case was intentionally splintered into shards: One began to answer for hooliganism, another for arms possession, a third for the underground distillery, and a fourth for extortion. As a result, no one answered for participation in the gang. No one answered for murdering people.

In recent times, in the Yuzbashevites' war against the falconets, these people have died: on the one side, Pavel Rodnov and Sergey Sokolov (and his brother was beaten half to death), and on the other, Vladimir and Aleksandr Malov. The latter, who was Akop's bodyguard, was killed already after the return of his boss. The criminal cases are being suspended and closed, little newspapers dig around in the genealogies of the godfathers, and the latter keep on going, getting ready for new outrages under the noses of the authorities, who, to all appearances, are not even thinking about combating crime.

P.S.

One may assume that the "outline" of Yuzbashev's return is as follows: It is necessary to undo Yakubovskiy's case for sure—in order that "General Dima," backed into a corner, should begin to give evidence against the personalities indicated to him. This is very important with regard not even for the parliamentary, but for the presidential elections. In order to push Yakubovskiy, it is necessary to get compromising material on him. Yuzbashev is prepared to give this compromising material, not for nothing, but for the ability to live free and easy in Russia. But since Yuzbashev is a godfather, it is necessary to create the impression that he is not at all so bad, not so criminal.

In any case, not so odious. It turns out that in the political struggle, as always, all means are good (one cannot deny that the Yakubovskiy case, in addition to the criminal, also has a political significance). And so Yuzbashev has proved to be useful.

*Warning That Stinting on Security Costs More Than It Saves

964Q0001A Sevastopol FLAG RODINY in Russian 26 Sep 95 p 3

[Interview with A. Zdanovich, by N. Nikulin: "What Remains Behind the Scene: Aleksandr Zdanovich, colonel in the RF Federal Security Service [FSB], says 'Cheap Intelligence Services Are Very Expensive for the State'"]

[FBIS Translated Text] [Nikulin] Which of the "power structures" in our country is fighting terrorism?

[Zdanovich] On the basis of the area of competency, this type of crime is investigated by the FSB. This also used to be the case within the framework of the KGB. The 5th Administration there used to have a special department for combatting terrorism which was eliminated after the committee was reformed. Now an Administration for Combatting Terrorism has been created again.

[Nikulin] Have you been given the responsibility of combatting it with your bare hands? Because, after a series of reorganizations in the security system, for almost three years there have been no power subdivisions in its structure.

[Zdanovich] In 1991 the "Alfa" [Alpha] antiterrorist group was removed from the makeup, and in 1992 the "Vympel" [Banner] special subdivision. In December 1993, by presidential edict, the investigation administration that investigated all cases involving terrorism was eliminated and the specialists were out of work.

[Nikulin] But now you have "become richer" — the Special Operations Administration has appeared in the FSB.

[Zdanovich] Yes, but one must not forget that, prior to that, we lost years. People left in all directions and now the collective has to rebuilt from the fragments. As of today, the administration has been staffed to only 10-15 percent of its needs. The nucleus is made up of those who remained from the previous "Alfa" and "Vympel," but there are only a very few of them. The others have to be trained, and the training of a professional with this level of proficiency takes no less than 5-7 years. Of course, a pumped-up and coached fighter can act in the role of a hitman even now. But in order to do their specific work, it is also necessary for them to have, in addition to power and muscles, a head. For example, officers with experience in investigative or counterintelligence work used to serve in "Vympel." All of them had higher education and a mandatory knowledge of several foreign languages. In general, throughout the three years, we were deprived of the manpower and funds to combat terrorism. We were left only one instrument: operational-agent work.

[Nikulin] In connection with the war in Chechnya and the events in Budennovsk, the accusation is being leveled at the FSB that your agents winked at the actions of the gangster formations and the unhindered forced march by Basayev's hitmen that covered many kilometers.

[Zdanovich] Those who are currently accusing us of this have done quite a bit themselves to discredit the illegal methods in our work, and primarily those used by the agents. In addition, like all the branches financed by the budget, we are limited in our finances. What does that mean in our work? Whereas previously 99 percent of the secret sources cooperated with us because they believed in the idea, now it is necessary to pay for the information, and that information, as you realize, is very expensive. And especially so in the North Caucasus region. There is also another factor of no small importance. Our apparatus in Chechnya was eliminated as long ago as 1991, and without it we could not operate there "in full marching gear" in the fight against terrorism.

[Nikulin] What is the FSB undertaking to guarantee the security of Russians?

[Zdanovich] We are identifying potential organizations of a political, ethnic, and nationalistic persuasion which, in their arsenal, may use extremist methods. We are working to prevent terroristic acts within criminal groups and also with their leaders. We monitor the centers of stockpiling of weapons, in order to prevent them from spreading across the country, and we are preventing thefts of weapons. We also stop the actions of mercenaries, each of whom can prove to be a terrorist. This kind of preventive activity for the Russian public remains "behind the scene." It always used to be carried out, but now that work has been considerably intensified.

Not too long ago an agreement with all the intelligence services of the CIS countries was signed in Tbilisi. That agreement stipulates the fight against terrorism. We conclude bilateral treaties in this area with a number of countries in the far abroad, because terrorism is an international phenomenon and it is impossible to cope with it by oneself.

Additional steps are being taken to intensify the protection of nuclear and electric power stations, chemical enterprises, oil refineries, and many other vitally important sites.

[Nikulin] What about train stations, railroad main lines, and the subway?

[Zdanovich] What the public sees — reinforced patrols, people wearing shoulder boards, reinforced personnel carriers — are only the tip of the iceberg. The unseen part of the iceberg is the unceasing operational-agent work performed by our subdivisions and the internal affairs agencies with the use of special technical means. That work is yielding no less of a result. For example, in Moscow last autumn a cache of ammunition that had been prepared by Dudayev followers was discovered, and that prevented eight terroristic acts. But the most important thing that our fellow citizens should know is that the country has people who are ready, like the members of the "Alfa" group who perished during the assault of the hospital in Budennovsk, to sacrifice their life for the sake of saving just one person.

[Nikulin] What do you think should be done to stop the wave of crime and to choke off terrorism?

[Zdanovich] Cheap intelligence services are very expensive for the state. If we actually want to fight the technically equipped modern terrorism, the appropriate funds should be allocated to do so. Incidentally, in Budennovsk the terrorists had cellular telephone communication, which is something that very few of the operatives in our fighting subdivisions have. And I am not even talking about the salaries paid to our workers.

[Nikulin] Is it possible to combat illegal gangster formations in Chechnya without the declaration of a state of emergency there?

[Zdanovich] The question of declaring a state of emergency in a particular region of Russia is within the competency of the president and the Federation Council. The armed forces, our service, the MVD agencies, and the internal troops are operating in Chechnya on the basis of the corresponding edict. For us there is no difference where the fight is being waged against terrorism and organized crime — in Moscow, the Stavropol area, or Chechnya.

But if one takes the aspect of the activities of the law-enforcement agencies in investigating and suppressing criminals, then a state of emergency definitely promotes the fight against them. There are the curfew, the limitation of movement, and other measures. In Chechnya currently, extensive combat actions have been completed, major groupings have been broken up and they have been scattered into small detachments, and this is already changing over into the realm of the fight against political gangsterism. Meanwhile, there exist in life not only legal norms, but also political factors that influence the situation in this region. How, for example, does one conduct, for purposes of stabilizing the situation, an election to the local agencies of authority under conditions of a state of emergency? This may produce a completely reverse effect.

*Human Rights Advocate Calls for Changes in Russia

964F0022A Moscow SEGODNYA in Russian 27 Sep 95 p 5

[Article by Boris Altshuler, under rubric "Voices": "We Shall Not Lose the Chance"]

[FBIS Translated Text] **Boris Lvovich Altshuler is a member of the Moscow Helsinki Group, and chairman of the board of the Moscow Research Center for Human Rights.**

The unacceptably low level of income and the lack of elementary law and order are situations that today are troubling most of the citizens of our country. The main idea of this comment is that now, when the politicians, like it or not, are forced to take into consideration the moods of the mass voter, History has provided Russians with unique opportunities for exerting an influence. And we must not lose this chance. Respected deputy candidates from the ruling party ("Our home is Russia") and other parties, you do not have to feed us promises! There are obvious measures which are long overdue, and several of the most crying maladjustments in our life can and should be eliminated even before the election On 17 December we, the voters, will make the proper evaluation as to who has done some effective work this autumn.

However, before formulating any specific recommendation, I would like to attempt to review the basic facts briefly, to remind the reader of where we began when we "wanted something better." It is necessary to do this since, for millions of Russians who are engaged in the struggle for survival, "human rights," "democracy," and "reforms" — all these high-sounding words —have become swear-words today. People in the older generation do not have to be reminded of the wild inefficiency of the Soviet economy: the *tufta*, the extended construction periods, billions of rubles thrown to the wind, harvesting losses and plowed-up harvests, etc., etc.

How many time did we hear the statement made with a deep sigh, "We don't have a boss!" The Russian bosses were destroyed after 1917 and in 1929; during the anti-*kulak* in the 1930's, 15 million of them were dispossessed; and then every vestige of private economic initiative was stifled with monstrous consistency. The chief goal of the economic reforms that began was to return to Russia a boss, an owner, to restore the commercial estate in the primary sense of those words. But now let us imagine this picture: at a critical moment in this necessary but very painful operation, the physicians are chased out of the ward, and gadflies and horse flies swarm to the open wound — they buzz around and eat their fill, then they fly to the Canaries and refuse to pay wages to our workers. The individual farmer has been stifled by the agrarian chiefs. Trade has been "snatched up" by their monopolies also. A person can actually go crazy from all of this: you remember Stalin, and it is to your own detriment if you vote for Zhirinovskiy; in a word, we pour poisonous chemicals on the wound in order to kill the flies. The flies will fly away, but what will happen to the patient?

The most disturbing thing is that this entire leadership banquet is under the protection and cover of the State Duma that we elected in 1993 — not the entire Duma, of course, but its "Red" majority (KPRF [Communist Party of the Russian Federation], the agrarians, LDPR [Liberal Democratic Party of Russia], Sergey Glazyev's DPR [Democratic Party of Russia], the so-called "Women of Russia." other deputies, many of whom have currently joined "Our home is Russia" or who are cooperating with it). Through their "concerns," the dangerous legal indefiniteness concerning property (the "open wound") has already lasted two years. As a result Russia has not acquired a boss, but instead there has been the predatory exploitation of the production assets by temporary officials; the land and real estate have not acquired commercial value, namely: 1) the voucher has remained a piece of paper; 2) the idea of returning the lost deposits in the form of real estate has not gone anywhere; 3) old men in the village, after receiving pieces of paper allocating their share of hectares to them, have not received anything... In a word, once again everyone has been looted by the "Reds"; by chopping down the program for monetary privatization, they encouraged a gigantic outflowing of funds abroad; they did not even give back the land under buildings, by which they obviously covered the investment flow; they "did not sell" even Mavrodi.

I have just returned from a trip to Tver and Novgorod oblasts. Neglected ownerless land, people forced to engage in a barter economy: it is unbelievably difficult to sell anything or to earn money. Production is coming to a halt in the cities — not military production, but all kinds of light industry. There is no boss. "What is happening?"; "At the plant in Novgorod the director pays himself 15 million, but doesn't pay anything to the workers"; "They declared capitalism, but won't let it develop. You can't do anything when the tax is 90 kopecks on the ruble"; "Before, when there was one militiaman on patrol, you could walk the streets without fear, but now the streets are crowded with OMON men with semiautomatic weapons, and people are being robbed and killed all around you. When will there be law and order?"

"Observe human rights" is the main slogan in the struggle against a totalitarian regime. Once again, as though in a bad dream, we hear: "What have we fought for..." Instead of a strong DEMOCRATIC state, we have proven to be under a kind of departmental feudalism, with all kinds of leadership being totally free of any oversight and being subject to no punishment. And "there's no one to complain to." As a result there have been violations of human rights on a massive scale. We people at the Moscow Center for Human Rights encounter this terrible situation every day: the army, prison, militia departments, "black" investigation... The role of the "Reds" in the construction of this "feudal anarchy" is decisive. For two years they have been creating laws that grant tremendous powers to "those in power," without providing any oversight mechanisms. And the creation of the very important oversight apparatus for the Responsible Agent for Human Rights was postponed indefinitely. Attempts by democrats to correct these maladjustments, as a rule, proved to be ineffective —there were not enough votes. Those were the consequences of our 12 December 1993 election. If we repeat the mistake in 1995, it will be even worse. The "chiefs'" tactics are simple: bring people "to the handle" in order to be able to go running up to them asking for a "strong hand." But perhaps "it is not yet evening," and it is necessary, finally, to admit that a Russian has exactly the same right to personal protection as, say, a citizen of the United States, Norway, Holland... There is neither dictatorship nor anarchy there, but there are structures (and not just one structure) that oversee the work of the law-enforcement agencies, intelligence services, and power departments.

Thus, the government and the State Duma still have a bit of time before the election to think about things carefully and to do something useful for people. Namely:

1. To carry out a series of acts and organizational measures to reinforce the oversight of the activities of the law-enforcement agencies. I believe that Anatoliy Kulikov, the new foreign affairs minister, genuinely wants to introduce order in his department, and to do everything to assure that things will go well for the workers in the militia and that things will be unbearable for those who are dishonest. But he will scarcely be able to cope with his own apparatus unless investigative and oversight mechanisms are created that are independent of the MVD.

2. To carry out the long-overdue demilitarization of military justice. The present courts martial and procurators actually are subordinate to the generals and are incapable of guaranteeing the military personnel their constitutional rights.

3. To carry out an item-by-item discussion and vote in the State Duma for the 1996 military budget. The voter-taxpayers, including military personnel who have been left without any means of subsistence, must know where the trillions of rubles are "sailing away to."

4. To take specific steps to establish parliamentary oversight of the activities of the intelligence services.

With regard to economic rights:

1. In a procedure of implementing the law on supporting small entrepreneurship, to simplify substantially registration and licensing, and to ease the unbearable tax burden.

2. To achieve the even more socially significant complete liberation of the so-called "smallest-scale business," handicraft activities (individual, family) that are traditional for Russia. Certain medium-income individuals (notaries, dentists, jewelers, brokers) may be excluded from this benefit, but for the bulk of the population it is necessary to "get the yeast working." So that our fellow citizens can save themselves "not by vegetable garden alone."

There is no need to explain that giving the go-ahead signal to small and smallest entrepreneurship will rapidly fill the market with inexpensive goods and services that are most needed, that is, it will "feed" retirees, teachers, and physicians — all those who are "paid by the budget," and who are today doomed to a life of poverty. In the United States the support of small business is considered to be a question of national security, whereas in our country "state rackets" attempt to ruin anyone who has taken the risk of engaging in business. "Let the poor person get to the market!" (Yu. Petrov, Krasnodar); "I meet hundreds of women throughout Russia and I know that many of them could take care of themselves and their families by themselves by opening up small- and medium-sized enterprises. "Free them of some of their taxes for at least a year!" (Ye. Tumareva, Moscow). These desperate appeals to common sense, and others like them, have been repeated for a long time, but now all the necessary words are spoken at a higher level. Meanwhile life goes on, new laws are created, and complete licensing is introduced. Bureaucracy is like a tick — it does not hear anyone's words, but digs in and sucks out everything that is living.

A federal program for supporting small entrepreneurship in 1996-1997 has been announced. But maybe there will be enough money to give us "breakfasts" only. Right now, before the election, the government should develop and submit to the Duma legislative drays that protect the economically active citizen from the arbitrariness of the state officials. If it does not do that, then, it is not "our home," but "their home," with all the consequences that evolve on 17 December. The freeing of small entrepreneurship in Russia should certainly become the main question (alongside of law and order and the nonpayments of wages) in the 1995 election campaign — a serial that is more trenchant than "Simply for Mariya."

3. And with regard to the most painful question, the delays in the payment of wages, as well as pensions starting with August of this year. This practice, coupled with the fantastic impunity of the "Red directors," of course, is a flagrant violation of human economic rights. It is necessary as rapidly as possible to enact the law proposed by the democrats, entitled "Procedure For Compensating the Material Damages for Violating the Deadlines for Payment of Wages and Other Payments." The "other payments" are primarily pensions. This law

contains everything that is needed: it mentions the disciplinary and even criminal responsibility borne by the guilty individuals, and the indexing of the money that has been delayed.

All right, then, respected current and future elected representatives of the people and members of the government, "let's start working and move forward." In turn, we voters will make our verdict on 17 December. And, having come to an understanding with the Duma, we will then start in earnest with the president.

I would like to repeat the main idea in this article: right now, during the three months remaining until the election, there exists a real opportunity for turning Russia toward REFORMS FOR THE INDIVIDUAL... "Just give us at least a small hope, at least a small push toward the better! Whatever new light illuminates the world, whatever new forces of the people have been brought to life!" In my opinion, those remarkable words in a column in IZVESTIYA (16 March 1995) by Vologda author Anatoliy Yekhalov contain the answer to all the tragic questions of the latest Russian history.

Bezlepkina Actions in Beijing Criticized

964F0073A Moscow KOMSOMOLSKAYA PRAVDA in Russian 4 Oct 95 p 7

[Article by Alla Yaroshinskaya, member of the Presidential Council: "How Bezlepkina Defended the Women of Russia in Beijing"]

[FBIS Translated Text] For those readers who do not know, I will explain briefly who Bezlepkina is: Lyudmila Fedorovna is minister of social protection of the population of the RF [Russian Federation]. She is the only woman in our government. It is quite logical that as such, L.F. Bezlepkina was appointed chairman of the national council on preparing for and executing the Fourth World Conference on Women, and that she was afterwards also appointed the head of the government's delegation sent to Beijing for the conference.

As a member of the government delegation I have had occasion to take part in important UN conferences (for example, on extending the Treaty on Nonproliferation of Nuclear Weapons). Each time, owing first and foremost to the professional and capable management of the work of the delegation, our country looked worthy, and we made our presence felt. But here, everything turned out differently.

The principal documents of the Beijing forum were the Platform of Actions to Support the Status of Women and the Declaration. There were 160 pages of small type! I will mention only the most important problem areas that were examined in the discussions of the participants from 191 countries: the increase in the burden of poverty, inequality in the sphere of education and professional training; the consequences of armed conflicts; violence; inequality in the sphere of sharing power and making decisions at all levels; discrimination with respect to girls; and so forth.

A main committee and two working groups were established to examine the draft platform. In order to arrange the effective functioning of the delegation, its leader had to do a simple and clearly understandable thing: appoint three persons to head the work of the Russian representatives in the working organs of the conference and follow closely the text of the draft under consideration on a daily basis. Members of the delegation, understanding their "piece" of the work every day, were supposed to exactly and clearly keep themselves informed on the results of the negotiations and consultations with various countries and groups of countries on adopted decisions and formulations, in order not simply to ad-lib in international discussions but to defend the country's position. But in order to progress in the work, the leader of the delegation (or its deputies, or someone she commissioned) was supposed to assemble the entire delegation DAILY to summarize the results of the previous work, analyze the situation, and make forecasts for the next day. In fact, it is even awkward to write about this, everything is so elementary. But NONE OF THIS was done in our government delegation.

On the third or fourth day after the beginning of the conference several persons (including the author) expressed bewilderment over the confusion. There were professionals in the delegation who had postponed other important business to work on the trip in Beijing, for example, A.G. Gryaznova, rector of the Financial Academy attached to the government; Ye. A. Gayer, a deputy of the Federal Assembly; G.I. Klimantova, chairman of the Duma Committee on Women's Affairs; and others. The request of L.F. Bezlepkina was very simple: Assemble everyone and inform them how to proceed in their work. In a fit of temper, Lyudmila Fedorovna finally gave some general directions to everyone at a meeting: Everyone can go wherever they want. But M.A. Lebedev, a member of the delegation and deputy chief of the Administration for International Humanitarian Cooperation and Human Rights of the MFA [Ministry of Foreign Affairs], whom Bezlepkina authorized to explain the situation, especially to the slow-witted, perplexed the professors, women deputies, and republic federal ministers and deputy ministers with the original method: "All of you find your own subjects of interest. We, after all, do not know which of you has what kind of profession"(!). From this point on, Lyudmila Fedorovna did not permit any business meetings or any unfavorable public questions.

That is the way the two weeks of work of the Russian Government delegation continued in Beijing. Credit must be given to the women specialists who in this chaos tried by themselves to organize their work and who looked into details, but.... My official notes that were addressed to Bezlepkina also remained unanswered. Probably this was boring to her. How else can one explain the fact that during the entire time the leader of the Russian Government delegation NOT ONCE took part personally in either the work of the main committee or any of the working groups. Neither during the day, nor at night. (I returned from the last meeting of the main committee of the conference toward morning. At 0200 that same night the Beijing Declaration was finally coordinated, and almost after three hours, following exhaustive debates, when it seemed that the audience would never reach an agreement, the platform itself was coordinated. On the last day, many heads of delegations worked through until morning, including Gertrude Mongell, assistant to the secretary general of the United Nations and general secretary of the Fourth World Conference....) If you add to this that after the formation of the government delegation its leader DID NOT ONCE assemble everyone in Moscow at least to get acquainted and exchange opinions (even the prime minister found time to meet with members of the delegation literally the day we departed), it becomes obvious: The conference itself was perceived perhaps as an excuse for receptions and dinners.

It would have been at least partly possible for the head of the delegation to compensate for the failures in the work of the delegation on the main committee and in working groups by giving a speech at the plenary meeting of the conference. But there was also a complicated situation here: No place was found for Russia among the representatives of European countries who spoke in the first two or three days. We got in a word only a week after the conference had started, figuratively speaking, between Burkina-Faso and Upper Volta. Although the Ukrainian representative, for example, spoke on the day after the start of the plenary meeting of the conference, when most of the participants were in the hall.

But it would also have been possible to make up for this deficiency with the text of the speech. Especially since Bezlepkina had the opportunity to hear the others before her appearance at the UN rostrum. Many of the reports were simply brilliant; for example, that of the representative of Nigeria, not to mention the speech by Hillary Clinton, which was greeted with a standing ovation. And even if the homework proved unsuccessful, it was possible to orient oneself quickly.... Alas, it was embarrassing to hear an empty report that bore almost no relationship to the specific features of Russia and its special problems. Newspaper space limitations do not make it possible to cite all the examples, so I will quote only a few sentences: "History has granted us the right today to decide and to take action. As the minions of fate, we have an opportunity to see the results of the long search for answers to disturbing thousand-year-old questions on the relations between men and women. This is a great honor and good fortune, because there is no second life on earth." The audience sobbed.... Or take one of Bezlepkina's pronouncements "on behalf of the Russian Government" on Russia's responsibilities: "Russia will in the future guarantee the full equality of women who have entered the path of political struggle and state administration...."

There is also another side of the affair—financial. Just before the trip, the RF Ministry of Social Security reported the news: Rooms have been booked for the delegation in the Hotel Beijing at a cost of $180 per day (we had to pay $185). At the same time the upper limit for staying in Chinese hotels for officials of the government apparatus, presidential structures, and deputies was set at a rate of $80 a day. I asked the Ministry of Social Protection why it was so expensive? The reply: The Chinese booked this hotel for us, and we cannot change anything. In fact, G.V. Kulikova, an adviser to our government, explained everything in Beijing more simply: Lyudmila Fedorovna asked that this hotel be booked, as she had stayed here previously and got used to it. In general, the cost of the trip for each member of the delegation was $5,000 on average. Multiply this by 31 (one adviser did not go due to illness). A tidy sum results—something in the region of R750 million. Official structures themselves paid for their representatives. And the "no travel allowance" trip of members of the Russian Government delegation from nonstate structures was paid for by their organizations and various commercial structures, including American structures.

Would it have been possible to avoid this shameful incident? Yes, if out of concern for the state treasury a hotel was reserved for the delegation not for $185 a day, but one that was cheaper. (Our nongovernmental delegation paid only $40 for much better rooms.)

And the last question. If the minister of social protection allows herself to leave the country for half a month at a time when its miners are striking over nonpayment of wages and pensioners are picketing because of delays in pension payments, and overall social tension is not abating, does this not signify recognition of the fact that the absence of such a minister in the country will have no effect at all on the position of those people in Russia this ministry is supposed to protect? In such an event, it is unquestionably simpler to "defend" the rights of women of the whole world in Beijing than to defend real people at home.

Since the delegation's return from China, M.I. Volshanskiy, an employee of the Ministry of Social Protection of the Population, has already made several telephone calls to all the members of the delegation with "a big request from Lyudmila Fedorovna as soon as possible to fax her their written report about what happened and what it was like at the conference, and their own comments and wishes, because she had to prepare a report to the government." I thought about it, and wrote. Taking this opportunity, I request that Lyudmila Fedorovna attach this article to the report for Viktor Stepanovich. In the event that he in fact makes up his mind "in the future to guarantee the full equality of women who enter the path of state administration." Do you suppose it will help?

Media Issues

Laptev on Role of Press in Elections

964F0031A Murmansk POLYARNAYA PRAVDA in Russian 26 Aug 95 p 1

[Interview with Ivan Laptev, chairman of the Russian Federation Committee on the Press, by RIA-NOVOSTI correspondent L. Kovaleva, under the "Fourth Estate" heading; place and date not given: "His Own Opinion: Roskompechat Chairman Ivan Laptev on the Limits of the Possible for the Press"]

[FBIS Translated Text] [Kovaleva] How do you see the activity of our mass media during the period of the upcoming elections, both parliamentary and presidential? Will there be financial support from Roskompechat [Russian Federation Committee on the Press]?

[Laptev] Let us begin with finances. The budget is approved by the State Duma, which in 1995, when, strictly speaking, is when the elections should have been held, allocated not a single ruble for the support of the mass media. Help is given to only four state publications—ROSSIYSKAYA GAZETA, ROSSIYSKIYE VESTI, and the journals FEDERATSIYA and RODINA. From just these funds, we managed to redistribute a certain portion, in concordance with the Budget Committee of the Duma and the Committee on Information and Communications, for minimal financing of literary and artistic journals and a number of scientific journals.

As for the activity of the mass media in the conditions of the elections, a very serious ordeal and a great deal of work await all of us here. Now more than 100 parties and movements are claiming the right to be given equal opportunities to appear in the press. And that is correct: If a party and an association do not violate existing legislation, if they operate within civilized bounds, they have the right to speak their point of view, to promulgate their program on an equal basis with others.

[Kovaleva] Sometimes the Russian press is accused of disinformation. Is this true? And if it is, then how is it to be combated?

[Laptev] It is necessary first to explain what press is being accused of disinformation, who is doing the accusing, and what is meant by this. If the press simply lies, then it must be called to order according to the law, where there is the corresponding article to the effect that people or organizations that have suffered moral or material damage have a complete right to sue. But there are charges that someone simply does not like. He believes that "that" should not be brought to light, and therefore, "the press lies."

And the third point. There are publications that specialize directly in the spreading of rumors, inventions, and unverified information. Unfortunately, there are more than a few of these now. This phenomenon, in my view, is deplorable. It is a matter of journalistic honor and professional dignity that such things be kept to a minimum, if they cannot be gotten rid of altogether. After all, this is why various kinds of slander arise: "These journalists have been bought. They can write anything at all." Unconscientious work and a lack of professionalism occurred previously, as well. But now that the censors' control has been lost, thank God, the press itself must bear responsibility for everything that it does.

[Kovaleva] You beefed up the legal department at Roskompechat. Does this signify that a partial censorship will be introduced into the mass media?

[Laptev] No, the legal department decides other tasks altogether. Within its competence are problems associated with the registration of the mass media, with the licensing of printing and publishing activity, with those disputes that arise between a local administration and the mass media, between editorial offices and publishing houses. Even if we very much wanted to put pressure on the press, we do not have an instrument nor the right to do this.

[Kovaleva] What is your position in connection with the latest actions of the General Procuracy of Russia against journalists? Is this not an infringement of the rights of journalists, and of freedom of the press in general?

[Laptev] In my view, the actions of the General Procuracy in the situation with the television program "Kukly" are remarkable for their extreme degree of clumsiness. And, in my view, this will bring nothing but moral losses, either to the Procuracy itself or to those people whom it undertook to defend. I am convinced that such steps will not influence the freedom of the press. I hope that we will withstand these hit-and-run attacks.

[Kovaleva] A question from another plane: How do matters stand with printing? In your interviews, concern for this important problem has been heard more than once.

[Laptev] I will make so bold as to declare that today the sorest spot in all of journalistic activity is the state of the printing base. In order that the book printing houses might work somehow, enormous capital investments and very serious technical equipment are needed. As an example, I will cite the following figures. By the year 2000, some 92 percent of all the equipment on which newspapers, journals, books, albums, and post cards are printed in Russia will be 100-percent worn out and will need to be replaced. We are faced with a task—to search out the necessary means to save the printing industry. It is regrettable that a significant portion of our enterprises use very outmoded equipment. About 60 percent of our printing plants work on the hot-metal typesetting method of relief printing. That is, it is the kind of technology that throughout almost the entire world has been "consigned to the archives."

If today, on the threshold of the approaching elections, we do not take urgent measures which to a certain extent would stabilize the situation in the printing branch itself, many electoral associations will have problems with the publication of pre-election materials, with getting into print. And one must not underestimate the importance of this point.

[Kovaleva] And how about the situation with schoolbooks before the beginning of the school year?

[Laptev] A very important question. Although the situation is fairly banal. Over the course of the first half of the year, that is, when it was absolutely necessary, there was practically no financing for the production of schoolbooks. Our plants either stood idle or functioned at 10-percent capacity. Still, we found some kind of opportunities to throw in a billion or so in order to keep the gigantic plants (we have three) from stopping: the Smolensk, the Tver, and the Saratov plants. Now financing has begun, but it is proceeding, it is true, not exactly the way that one would like. The bulk of the money that we have received (that is, in total at this point about 80 billion of the required 600) we have directed at the publication of elementary-school books. Other textbooks have also started to be printed. Today the order for the whole Federation has been fulfilled to the extent of approximately 20-22 percent. Of course, judging by everything, we will not be able to get it done by 1 September. But if there is full financing, then we will still be able to print the complete order for the Federation by 1 January. For our plants and printing houses have new equipment especially for the production of schoolbooks. I may note, by the way, that the prime minister resolutely stopped attempts to switch to charging money for school books. You remember that a discussion on this score even started in the press. The school book as before remains free - this concerns each family.

*Editor Views Renewed NEZAVISIMAYA GAZETA Publication

964F0077A Moscow NEZAVISIMAYA GAZETA in Russian 3 Oct 95 p 1

[Article by Vitaliy Tretyakov: "NEZAVISIMAYA and Others: Readers, We Are With You Again"]

[FBIS Translated Text] I'm not an expert in telling detective stories, and that is exactly the talent that a person must have in order to describe in even the briefest terms all the events that occurred after the suspension of the publication of NG [NEZAVISIMAYA GAZETA] in May. The final part of that detective story took on a completely scandalous nature, although a considerable part of that scandalous nature was not so much the consequence of the natural development of the conflict within the editorial office, as it was the artificial transformation of ridiculous, and frequently false, rumors about that conflict on the part of those few individuals who, having declared the minority to be the majority, and their own demagoguery to be creative and even financial might, without having any real support within the editorial office, sought that support on the outside — primarily in certain Moscow SMI [mass media]. Unfortunately, I am forced to repeat what I have already discussed once publicly — the openly provocational role that SEGODNYA newspaper heaped upon its own fragile shoulders. Why? I think that schoolhouse physicians know the answer to that question.

Of course, it is very regrettable that the attempt was made to air the editorial office's dirty linen in public after the preliminary attempt was made to soil it. And I must admit my own personal responsibility for what happened. Responsibility according to the formula of the classic Soviet anecdote that reported the awarding to Emperor Nikolay II the rank of Hero of the Soviet Union for creating the revolutionary situation in Russia.

But everything comes to an end, even, as Yaroslav Golovanov wrote in his most recent novel "Kuznetsy groma" [Blacksmiths of Thunder], the tooth powder in your neighbor's can. The problem of attracting investments to NG, on which the best minds in Russia knocked themselves out (you might recall the makeup of the organizing committee for creating the "NEZAVISIMAYA and Others" AO [joint-stock company], and even several of Russia's highest administrators (for example, Prime Minister Viktor Chernomyrdin, if one is to believe what I heard from him with my own ears, or Moscow mayor Yuriy Luzhkov, if one is to believe his press secretary Sergey Tsoy), without even mentioning the numerous and powerful financial structures, has been resolved. For the time being, I can give the name of one investor — the United Bank —but soon, at the moment of creation of the appropriate joint-stock company, the reader will receive all the necessary and more detailed information.

What else? In order to put an end to the story about the conflict in the editorial office, I shall repeat what I said to begin the press conference at the Russian-American press center two weeks ago, and what, for some reason, was not included in the communique about that conference. I am ready to offer to any independent commission, any state or public agency that has anything to do with the press, or any judicial body, all the documents that deal with the conflict. I do not have any doubts about what an objective analysis of those documents will provide.

What follows is the next item in sequence, but not in importance. As of today, NEZAVISIMAYA GAZETA is renewing its regular publication in full volume. Although the four months of nonpublication of NG and certain events that were linked with that situation created definite problems, we intend to resolve them very quickly. All our regular sections will be renewed gradually but forcefully, as well as the military supplement. We await all our authors in the editorial office once again. The goal has been set — and the investments are being allocated specifically in this volume — not only to restore all of NG's previous positions, but also to strengthen them with the purpose of putting NG, not only on the basis of its authority, but also according to its scope, in the rank of Russia's largest weekly publications.

In addition, we are ready to pay all our debts to our subscribers. It is astonishing, but more than 7500 private individuals and organizations subscribed for the second half of 1995 for an NG that was not even being published. The editorial office is ready to offer those individuals and organizations, as well as those who subscribed for the first half-year, very serious benefits in their subscriptions for 1996 — within the next few issues we shall provide specific information concerning this.

There is one thing more that must be mentioned. The blatancy of those who wanted NG's demise cannot deceive us. Many, very many, people, including many of our present readers, helped us to the best of their ability. On behalf of the employees of NEZAVISIMAYA. I express my profound gratitude to everyone who worried about the fate of NG, who wanted and attempted to help it, and who actually did help it. Among them I would especially like to mention three journalist collectives: OBSHCHAYA GAZETA, headed by Yegor Yakovlev; NTV, headed by Igor Malashenko (and, within the framework of NTV, obviously, Yevgeniy Kiselev's "Itogi" [Results] program; and VECHERNIY OBNINSK newspaper (editor in chief Vladimir Boyko). We had very valuable support from NG's foreign friends, including a large number of journalists and diplomats who are accredited in Moscow, as well as a group of French intellectuals headed by writers (Anri Truayya) and (Marek Khalter).

I could mention many others, including a number of leading politicians from Moscow, Russia, and other CIS countries, who actively attempted to help NG, but one must not reveal all the secrets. In a word, there are those to whom we owe a debt of gratitude.

Finally, one last thing — a question that currently is on the tip of everyone's tongue: will NEZAVISIMAYA remain independent? That question, incidentally, is being asked most frequently by those who previously accused NG of being secretly dependent upon someone or who grumbled about the vanity of its being independent "of everything."

For the time being, I shall answer the question with another question: will NEZAVISIMAYA preserve its authority if it becomes a servile newspaper. Incidentally, I shall definitely return to that problem again.

Military & Space Issues

Army Reforms Seen Floundering

964F0039A Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian No 36, 28 Sep-4 Oct 95 p 5

[Article by Aleksandr Kostin based on official, unofficial, and confidential information: "A Military Coup Does Not Threaten Us As Yet: A Subjective Look at Military Reform and Other Problems of the Russian Army"]

[FBIS Translated Text] *Heroic and legendary, invincible, equipped with the most modern and powerful weapons, always ready to rise to the defense of the people.... What epithets of the superlative level were not employed in past years when talking about the Army both* *on holidays and in everyday life. Now, however, we are hearing on all sides about a loss of performance capability, obsolete equipment, and lack of money, accusations against the top military command of corruption, and other unflattering words.*

The dynamics of the rapid political, economic, and social changes of recent years in Russian society have, naturally, affected the Army, as an inalienable component of it, also. There is nothing unusual about this. In its long history the Russian Army, from Peter I on, has almost continuously been in a phase of improvement. Most eminent commanders: Rumyantsev, Suvorov, Kutuzov, Zhukov, were most important military reformers.

At the head of the business of reorganization of the Armed Forces of the USSR and the creation of a new Russian Army in 1992 was by the will of fate General Pavel Sergeyevich Grachev. Almost on his first day in the office of minister Grachev announced a large- scale military reform, which, it was intended, was in two or three years to have reduced the size of the armed forces considerably without loss of performance capability, to have increased the country's defense capability in accordance with the new geopolitical conditions, to have enhanced the authority of military service....

We have now had four years of general promises, and an entirely legitimate question is: What has been accomplished?

A Mess Was Made of the First Stage, We Should Not Even Embark on the Second

A conference at the Ministry of Defense of the Russian Federation in 1994 behind closed doors discussed the results of the first period of military reform of the Russian Army and the paths of further military organizational development. In the opinion of military experts and analysts, the first stage of the military reform (1992-1993) had a negative impact on the troops' combat readiness. Thus the military units and subunits proved to be manned only at the 40-50 percent level, logistical support had declined almost 60 percent, and in each military district two or three divisions, at best, and in each of the fleets, three or four squadron warships, are fully performance-capable.

The opinion that the national military command had most flagrantly miscalculated when drafting the concept of military reform, having lost sight of the question of its economic support, was then heard. The plans had been constructed back at the end of 1991 on the basis of an economy that was developing dynamically and of stable funding. But Grachev and his immediate associates failed to take account of the growing recession (particularly in branches of the military-industrial complex) and inflation, for which reason the military budget covered defense spending to the extent of only one-third. "Not considered" in the strategic planning of the military budget were current expenditure on the maintenance of Russian peacekeeping forces (specialists estimate that one day of maintenance of the Russian troops in Abkhazia in 1993 prices has cost approximately 2 billion rubles, and in Tajikistan, R15 billion, and a day of exercises of one peacekeeping unit has cost approximately R1 billion).

Also a major miscalculation of military financial experts was the fact that the large-scale troop relocations carried out in deference to the political situation (the early withdrawal from Germany and the Baltic, for example) and the arbitrary downsizing of the Russian Army required considerable additional appropriations—for helping the withdrawn troops to fend for themselves and for financial support for the part of the officer corps that was being cut back.

How the General Staff Was Divided and What Ensued From This

Nonetheless, the disquieting results of the first stage of military reform did not influence the leadership of the Ministry of Defense—the minister and the other multistar generals continued to talk about their plans for the reform of the Army. Specifically, the ideas of a downsizing of the arms of the service to the three main ones: Ground Troops, Air Force, and Navy, were expressed as the "new word" in military-strategic thinking.

Certain friction, on which they preferred particularly not to expatiate, between Defense Minister Grachev and Mikhail Kolesnikov, chief of the General Staff, even arose in this connection. But according to certain unofficial information, the main reason for the differences between the minister and the chief of the General Staff lay in the different approaches to the problem of reform and the extrication of the Russian Army from the state of crisis. Grachev insisted on a concentration of the armed forces in the three main arms, which would allegedly alleviate the financing problems. The General Staff, in turn, proposed the "regional decentralization" of the troops, where the bulk of the logistical and financial support of the Armed Forces was to be assumed by the local authorities in the regions where the Army units were stationed.

In addition, a keen debate, which was almost unknown to the public at large, unfolded in the highest military spheres: Should the General Staff not be withdrawn from the structure altogether, endowed with independent functions, and brought under the jurisdiction of the president directly. Experts cite as being among the sponsors of this idea Yuriy Baturin, the president's assistant for national security, to whom the elaboration of a new concept of military reform following the obvious failure of its first stage was for some time "entrusted." The chief of the General Staff supported the "new proposals" (although in both the Russian and the German Armies on the eve of World War I the general staffs had been independent bodies and had been under the jurisdiction of the monarchs directly), according to which the General Staff was to have been entrusted with the assignments of the development and realization of a strategic concept of the Armed Forces in support of national security and also the operational command and control of the troops. The Ministry of Defense here was to have handled problems of logistical support, financing, and the development of cooperation with the military-industrial complex. With this distribution the Ministry of Defense could be headed by a civilian minister even, Grachev's first deputy, Andrey Kokoshin, for example.

The "best defense minister" could not, naturally, permit such sedition and engaged his influence on the president to bury the idea of a separation of power in the Ministry of Defense. In addition, either in revenge or to confirm that he knows how to lead and was prepared for command and control assignments of a larger scale, General Grachev even proposed that all the country's military formations, which, as we all know, include the border and interior troops and military units of the Ministry for Emergencies, be brought under his direct jurisdiction.

But the Supreme Commander Took a Hand

As we all know, President Yeltsin declared this spring that he personally would handle problems of the military reform of the Russian Army. But the statement is as far as it goes as yet, it would seem. In the unofficial opinion of certain military experts, even the theoretical studies of problems of reform are being undertaken insipidly somehow, and interest in them on the part of the leadership of the Ministry of Defense has fallen considerably.

The impression is that, as experts observe, the military leaders "have correctly understood the mood of the country's political leaders": for an end to the reform bustle in the Army prior to the outcome of the elections and an attempt to preserve in the present form both the structure and the size of the Armed Forces. This mood fully coincides with the desire of the top Russian generals, who mainly adhere to conservative beliefs and vigorously oppose a reduction in the military budget and the size of the Army and its operational potential.

Some radical reductions in the central machinery of the Russian Ministry of Defense and the General Staff are hardly to be expected either, although it was promised right at the start of the military reform that no more than half of the previous composition would be retained. In addition, military analysts conducted a comparative study of the size of the military departments of a number of developed Western countries and its correlation with the overall size of the armed forces. According to this study, the central staffs of the top Russian military authorities are in terms of their numbers in the "golden mean," inferior in terms of the number of military functionaries (the correlation of generals and enlisted personnel) to the United States and Britain, for example. This analysis was, most likely, to have persuaded the political leadership of Russia and, of course, public opinion to drop the need for radical reductions in the central machinery of the Ministry of Defense and the General Staff.

Informed military experts believe that the military reform being undertaken by the present leadership of the Ministry of Defense of Russia with the support of the president has pursued and is pursuing only one purpose: to deprive the Army inherited from the USSR and the military-industrial complex behind it of independent political functions in crisis situations. It may be affirmed today that General Grachev has to a considerable extent accomplished the assignment entrusted to him.

On the other hand, following the failure of military reform, the tasks of which have gradually been transformed in accordance with the will and mood of the top political leadership, and in connection with the blunders in the Chechen campaign, which made obvious the professional incompetence of the military minister and his associates, there has come to be muffled talk in the Kremlin lobbies of the possible ouster of General Grachev. In one analysis of the political consequences of the actions of representatives of the top leadership of the state in connection with the events in Budennovsk the defense minister received a patent "no vote": "....Grachev's public remarks about the ineptitude of the attempts to free the hostages were absolutely impermissible. This matter should be discussed behind closed doors, not with correspondents. Especially since many experts are inclined to believe that it was the negligent actions of the GRU subunits directly subordinate to Grachev which were the point of departure in the succession of tragic events."

Thus Minister Grachev's position is not entirely cloudless, as he attempted to portray it in the news media, declaring that he had been appointed by the supreme commander (the president) and that he would quit only in accordance with his order. Nonetheless, even after the

Budennovsk showdown the president did not replace his defense minister, who is personally devoted to him, and, most likely, will not do so on the eve of parliamentary and presidential elections and the socioeconomic contradictions, which are growing as before: The president needs his man in the Army, albeit one who is unpopular among the troops and in political circles, but who always has to hand three or four elite divisions prepared to act on any order. And the Kremlin talk is of what is, possibly, a traditional nature in such situations: An important state functionary will be more tractable and devoted to his "master" if he knows that he is always being undermined and at times slandered.

We should for fairness' sake mention one further aspect, namely: The reform being undertaken by the present military leadership has, in fact, turfed out of the Army hundreds of thousands of officers who are still perfectly performance-capable and has materially humiliated and morally insulted hundreds of thousands of others who continue to serve. According to certain estimates, more than 3 million officers of the reserve are unhappy with their situation, and if we add to them their families, which is natural, we get a three- or fourfold increase in those who will vote against the president and his supporters. Is this not why all the main political election blocs have included in them candidates in stripes with general's shoulder boards? One further consequence of the reform a la Grachev?

'Lame, Squint-Eyed, Dystrophic—Fall In!'

It may be asserted that together with other popular youth currents, draft evasion is the most popular among young men of draft age. The most varied scenarios are employed: from the purchase of a certificate attesting to poor health and a bribe given representatives of the military registration and enlistment offices through "flight" at the time of the draft campaign to distant relatives or out-of-town country cottages. But this is the moral aspect, so to speak, when, owing to the general decline in the authority of Army service, generally healthy young men are unwilling to perform their constitutional "sacred" duty of defender of the fatherland. There are also other more objective reasons for the undermanned Army.

In the last five years the indicator of fitness of the citizens of Russia for military service has declined 18 percent in the country as a whole. The biggest decline has been observed in the regions of Siberia (21.3 percent) and the Far East and Central areas of Russia (19 percent).

The number of sick conscripts subject to exemption from the draft for military service has doubled in the last five years (approximately 360,000 persons in 1993). Diseases of the nervous system and surgical and skin diseases have grown approximately threefold here. At the present time one out of every four Russian youths is exempted from the draft for military service owing to his state of health.

In the opinion of experts, the decline in the indicator of the youth's fitness for military service is linked with the deterioration in the health of children and adolescents. Thus approximately 53 percent of Russia's high school students have an impaired state of health, and by the end of their tuition in school only 20-25 percent of the students are in practice healthy.

Owing to the serious problems in the general educational training of the young men, difficulties in the organization of the military and vocational training of the draftees arise also. From 30 to 40 percent of young people have a low vocational level, and 40 percent of young men, an inadequate level of physical readiness, and 28 percent have insufficient intellectual development.

The general decline in society's living standard is exerting a negative influence on the draftees' state of health. Up to 30 percent of the young men of a number of surveyed Russian regions have diseases caused by vitamin or protein deficiency. More than 4,500 draftees with signs of dystrophy on account of an inadequate diet were revealed in 1993.

According to the available information, up to 30,000 servicemen (mainly compulsory-service soldiers) are annually discharged from the Russian Army early because of diseases and poor health.

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This material does not pretend to an all-embracing objective assessment of the military reform that is alleged to be under way in Russia—merely some of its aspects have been broached. There is no doubt that the Army of Russia in the form in which it exists today (like the former Soviet Army also, incidentally) is incapable of independent political actions Latin American-style—the generals have been raised as too "obedient" (except for Lebed and Dudayev, perhaps) to the political authorities. Sleep easy! A military coup does not threaten us as yet, and the guarantee of this is the reform being "conducted" under the aegis of the Ministry of Defense. But it is not possible to play for long and this ineptly with the Army, especially by testing it by the civil war in Chechnya, Tajikistan, and so forth, against the background of the permanent economic disarray.

*U.S. Investment in Defense-Related Enterprises Seen as Security Threat

954F3579A Moscow PRAVDA-5 in Russian No 15, 22 Sep-29 Sep 95 pp 8-9

[Article by Ivan Boltovskiy: "Ruining Russia Under the Smokescreen of Privatization"]

[FBIS Translated Text] **After the publication of materials showing how the American company Nick & See Corporation [name as transliterated] was through proxies buying up aviation enterprises for a song (PRAVDA 15, 27, 28 July 1995), their directors hoped that now finally the government and relevant agencies would remember that they are out there. After all, if the industry loses these units, this will be the end of aviation. Both civilian and military.**

Had something like this happened in the United States, if—imagine for a minute—Russia started buying up strategic plants and seizing entire industries, one can just imagine the outcry that would ensue.

Here, however—dead silence. Although this is not entirely correct. V. Pylnev, deputy chairman of the State Committee for the Administration of Property (GKI)—undoubtedly a statesman and not of low rank—did react. On the subject of the fact that Nick is trying to replace directors who keep it from buying up controlling shares of stock, he wrote in one of the Moscow newspapers: "The directors turned out to be dishonest. The new stockholders demanded that the management be replaced, which, naturally, the directors did not like." A man vested with power is not a street bawler. To make such accusations, he has to have grounds. The question of the directors' dishonesty was not raised, however, at a single stockholders meeting.

And the final puzzle delivered by Mr. Pylnev is the firm statement that the FSB [Federal Security Service] allegedly issued a finding that Nick & See Corporation does not present a threat to national security. This is not true—to put it mildly. We have not seen such assurances from the FSB at any enterprise we visited.

Despairing of finding understanding at the GKI, the directors wrote directly to the president. Will he impose order or not? If the West's economic expansion has become the norm, than waiting for help would be a waste of time. And, as I reported earlier, this is precisely what I. Suvorov, president of the Russian Stock Exchange, says. His version—that privatization was designed in the United States by Americans and to suit Americans—does link the current economic absurdities into a logical chain. But if it is true that under the guise of reforms the country is being betrayed and sold off, why then are the authorities not protecting the state?

Privatization in the Interests of the State—Not the Authorities

"Creating an all-Russia telecommunications system is a mythical undertaking from beginning to end," my interlocutor stunned me. "Chubays needs the decree as a smokescreen to continue the great rip-off, antistate privatization."

Stricken by these words, I sat down, and we had a long conversation. I came away from it with the firm conclusion that the West's economic expansion is not a threat—it is a reality.

At the beginning of July the presidential edict "On Measures To Form an All-Russia Telecommunications System and Ensure the Rights of Owners in Securities Safekeeping and Clearing on the Stock Market of the Russian Federation" came out. Protection of owners'—which also means the state's—rights is a subject of interest to me. As I was reading the document, questions arose. I was immediately perplexed that the subject of protecting owners' rights was brought up only after securities markets had been in operation for quite a while. Neither is it clear in the edict who is commissioning the telecommunications system. This is axiomatic: No customer—nothing gets done. Then why are Chubays, FAPSI [Federal Government Communications and Information Agency] General Director A. Starovoytov, Minister of Communications V. Bulgak, and many others who are tasked with creating the system being distracted from important state business? Coming on top of all the other questions there was A. Starovoytov's warning delivered at a government meeting regarding the vulnerability of communications and the threat of the West using information weapons. My feeling was that there was some link between the presidential edict and these remarks.

These were the questions I posed to Oleg Anatolyevich Melnikov, a specialist on complex systems, computer technology, and communications and vice president of the Russian Stock Exchange.

About two years ago Melnikov and a number of specialists in computer technology proposed to the government the project of a stock market telecommunications system to be used as a privatization tool. All that was required in order to implement it was to bring into the action already existing computer centers of the Ministry of the Merchant Marine, the Ministry of Railroads, and the VPK [military-industrial complex]. The objective of the system was information coverage of the entire marketplace and entities operating in it. This X-ray would become a barrier to criminal structures. Neither would foreign wheeler-dealers be able to get their hands on our defense enterprises using proxy companies.

Another important factor was that the system would guarantee the protection of entities undergoing privatization from devaluation. First and foremost through the orderly and even distribution of stocks over the territory of Russia. As a result, the state budget would have received what it was legitimately due, instead of crumbs from the thieves' table. This was one method of privatization. Another method—unorganized, aimed at devaluing people's property—was proposed by the GKI. And it came out as God—that is, the GKI—wished.

The computer center was, so to say, standing by. But.... A group of World Bank experts, having mulled over the projects, in the end said "no." A very difficult project from the technical standpoint, they said. It would take time to put everything together, but privatization could not be postponed. And this was said despite the fact that technical experts from the United States, having looking into the project's ideas and potential, did not see any obstacles to immediate implementation of the plan.

In the GKI, Melnikov's group's project was sent to the bureaucratic paper mill....and at the same time the green light for privatization was turned on. A typical bureaucratic trick of drowning the initiative.

What I heard about the GKI and the Americans was not surprising. What was surprising was the fact that at the same time Melnikov was knocking on bureaucrats' doors pushing the project of a market that is honest and useful for the state, the presidential edict on the creation of the Russian Telecommunications Stock Market Network (RTFS) came out. It would seem that Melnikov was a gift of fate to the president. But....

The royal edict was doomed in advance to be consigned to oblivion. It was put off. The nomenklatura needed it to put a good face on a bad game. "We wanted to do better, but we were misunderstood, and so it turned out as usual," was the ready reply to complaints.

Nevertheless, if it comes to finger-pointing, there will be complaints. There was a ready, working option for the RTFS. Melnikov's. And the question comes up as to why it was not given the go-ahead.

"Because Chubays' interests, his aspirations and people's privatization as he advertised it, were two big differences, as they say in Odessa," summarized Oleg Anatolyevich.

Over three years of privatization, a miserly 10 billion rubles [R] went into Russia's budgets of all levels?! And this considering that in industry alone almost 80 percent of enterprises have separated from the state. A horribly lamentable result—not someone's mistake. This is a conscious policy on the part of people who represent the state.

Could it be called a mistake, for instance, when the stock of the Far Eastern Steamship Line was dumped onto the marketplace simultaneously with the securities of large oil companies? The glut of stocks devalued it. This is the first point. And second, it ended up in the hands of a small group of grabbers, because they were sold not all over Russia, as required, but in only one region. It reached the point of the ridiculous. When the Petrovskiy arcade was being privatized in Moscow, the police were standing at the entrance to the auction and let only the chosen through. Such things could have been avoided had the aforementioned Melnikov's system been in use.

Capitulating to the West's Offensive

Devaluation of stocks and their acquisition by some lucky people were needed in order to create a stratum of super-rich as pillars and locomotives of the new regime.

It is absolutely unclear why the government all the time plays into the hands of foreign corporations that break whole sectors off the Russian pie. The most technologically advanced, promising, with the latest equipment, ensuring national security! Nick & See Corporation's activities at a number of aviation enterprises are not an isolated phenomenon—this is a common occurrence.

I recently visited the Imeni S. Ilyushina aviation complex. The first thing I encountered was the sign of the American company Pratt & Whitney, which designs and manufactures engines powering, in particular, Boeing aircraft. To comprehend how serious the aforementioned company is, let us explain that it is one of the divisions of United Technologies, a giant transnational corporation [TNK] that has spread its net over almost all countries of the world. Foreign TNK's are attracted not only to aviation. The same can be observed in the cryogenics industry, in power generation systems vitally important for the government, in communications....

The American company First Boston in 1993-1995 bought shares in about 80 Russian enterprises. They chose very purposely. The Novolipetsk Metallurgical Combine, the RAO [Russian Joint-Stock Company] YeES Rossiya, Rostelecom, the Novosibirsk city telephone network (which includes the Academic City—I.B.). The telephone networks of Moscow and Leningrad are also on this list. At the Novolipetsk combine the

Americans so far own 17 percent; at others—10 percent of the stock. With Nick's experience in mind, one can assume that this figure will soon rise. For instance, the company already owns 47 percent of the stock of the Bolshevik confectionery factory. Not quite a strategic object, but it has never been a millstone around the state's neck.

That the share of stock of, for instance, Rostelecom held by foreign investors will continue to grow is also indicated by the grandiose program of telephonization of Russia that is being planned with the broadest participation of the Germans, Americans, and French.

It is known that whoever owns communications owns information. Therefore, the active penetration of foreigners into this sanctum cannot help but provide food for thought and arouse strong concern. But Minister of Communications M. Bulgak [as published] does not seem to be particularly concerned. At the government meeting in the middle of the year he reported that thanks to foreign investment, the greatest successes have been achieved in electric and electronic communications. And the figures are indeed impressive. This year the volume of foreign investment will reach $430 million, as compared to $320 million last year.

Neither were the authorities concerned with the unusually generous gesture of the Soros Foundation, which gave money to build a network between the largest science centers of Moscow. Let us note that this will not bring the foundation a penny of profit. A million dollars invested "altruistically"! How can one help but recall that the only free cheese is in a mousetrap.

One can understand FAPSI General Director A. Starovoytov, who exploded at the government meeting on 27 July, acknowledging that Russia is becoming a target for information weapons. This means that Western special services are given the ability to freely collect intelligence data, control secret technologies and commercial structures, engage in all sorts of disinformation.... Unlimited opportunities are opening up before them. And most importantly, when necessary they can shut down communications and disrupt the whole command mechanism. This is the lesson the United States taught Iraq when it launched Desert Storm.

Melnikov stopped my imagination cold. In raised voice, he concluded that the West, with the help of information it possesses, completely controls privatization. Through an agreement with the GKI, American staffers of Price Waterhouse obtained information on all enterprises, now enabling their comprehensive and purposeful buy-up. The United States possesses information on the safekeeping of securities, and their movement and placement. The market infrastructure has ended up in the hands of the Americans, which enables them to control the economy.

"A state unable to manage its own economy is no longer a state," Oleg Anatolyevich summarized.

A gloomy and hopeless picture emerged in my mind. And then I remembered the presidential edict on the telecommunications system. Its issuance must mean that the president understands what is happening to the country.

"This edict is as stillborn as the first, similar to it," said Melnikov, and abruptly motioned for me to follow him. Soon I saw a very long room filled with enormously powerful and reliable Hitachi computers. Then we proceeded to the interregional trading area, with about 100 workstations with state-of-the-art equipment. It is this interregional area that provides the ability to operate with securities, selling them all over the country, ensuring the securities' liquidity and fair distribution. And finally, I found myself in the depository.

FAPSI Director A. Starovoytov had also seen the computer center I was visiting. This is probably what prompted him to more fully realize the meaning of privatization, and that is why he could not refrain from his sensational statement. It appears not everyone has yet learned to calmly watch as the country is being killed and the labors of our forefathers buried in front of their very eyes.

So what is happening? What the president envisaged in his edict already exists. Why then does the government not use the market tools at their disposal?

"Because privatization pursues a political rather than economic goal," Melnikov repeated what he had said earlier. "Under the guise of reforms, the country is being quietly surrendered to Western banks. Today they are practically assuming right of ownership. Technologies, which comprise three-quarters of these banks' assets, are being actively pushed into our industry. And technological dependence is the modern version of slavery. Because what is being installed here is years-old, obsolete equipment."

The president's second edict, much like the first one at the time, comes at a good time for Chubays. He will be able to use it to fend off attacks: See, we are improving, creating a mechanism which, unlike humans, will not make mistakes. But privatization will go on the same as before. If somebody higher up gave serious thought to putting together a telecommunication system, would they entrust it to Chubays, who heads the Securities Commission? This system was essentially supposed to oversee Chubays' commission. Nonsense! It is an additional argument that the aforementioned edict is another trick.

What is happening with the national economy is not just robbery and not even abetting economic expansion—it is capitulation on the economic front. Having suffered an ideological and political defeat at the first stage of the "cold war," Russia is now losing the last and decisive economic battle.

No one is insured against subjectivism. To check our conclusion, let us look at the analytical paper on privatization issued by the State Duma Committee on Property, Privatization, and Economic Activities. It notes, in particular, that "in the process of privatization the government practically did not control the movement of property. This resulted in a loss of government control over a number of key production facilities and even whole sectors of the national economy that determine Russia's defense potential. During privatization, facts were uncovered of stocks of defense enterprises being actively bought up by foreign investors.... There is a clear trend toward foreigners acquiring full control over key enterprises in the defense industry. In a number of instances, the new owners do not conceal their intention to change the enterprise's specialization or liquidate it. This situation can do serious and irreversible damage to Russia's defense potential and national security. FSB specialists came to the same conclusions."

The difference between this and what we said is that the committee does not state that trouble has arrived—it only warns of it. We will come back to who is closer to the truth.

Let us note that the situation in the defense sector would have been worse had the "reformers" succeeded on 30 March in moving through the government the proposal on selling ahead of schedule, before the end of the year, at least 25 percent of the stocks of the military-industrial and nuclear-and-power-generation complexes. This, in the conclusion of the aforementioned State Duma committee, could have resulted in the complete loss of state control and command over the development of military technologies and armaments. Only thanks to the committee's efforts did a presidential edict come out in May that put up a barrier, albeit flimsy, to the efforts of initiators of finishing off the defense sector.

In that edict, the president assigned the task of cooling down the zeal with respect to defense enterprises to—of all things—the Federal Commission on Generating Budget Revenue Through Privatization, whose vital interest lies in selling as much stock as possible. Such duality in a presidential decision shows what a hard time the top echelons have in protecting the national security.

There is also a huge loophole for those intent on liquidating the defense sector. It is the president's edict "On Selling Debtor Enterprises," which envisages an out-of-court bankruptcy procedure. State Duma experts have calculated that more than 80 percent of enterprises could be placed on the bankrupt list. And bankruptcy means immediate sale. The committee on privatization appraised these out-of-court verdicts as a "cover for the selling off and dismemberment of defense enterprises banned from privatization, as well as selling off federally owned blocks of stocks." The result is as in the well-known proverb. Liquidators are being chased out the door, and they climb back through the window. And the state is unable to protect itself.

Harder Than in 1941

One of the convincing items of evidence of the ruinous effect of the current privatization on the state is the state of military aviation, a situation that represents a criterion of national security.

I was shown what practically amounts to the privatization of aviation enterprises. Where it will lead in reality is best seen from the "final product [illegible]

In June the State Duma Committee on Global Policy held hearings on the subject "Aviation in the Geopolitical Interests of Russia." After discussing the situation in military and civil aviation, stunned hearing participants said in unison: This is a catastrophe.

Over the past two years the combat strength of armed forces aviation declined by about 40 percent. Modernizing the fleet with new, fifth-generation machines is out of the question. There is no money. While in the United States and Western Europe, the development of fifth-generation aviation complexes is almost complete.

In our country, however, almost half the planes are not even fourth generation—they are second- and third-generation. By the year 2005 they will be completely out of service. In only 10 years. Too short a time to even blink an eye.

To annually sustain the Air Force's quantitative strength, 400-450 planes are needed. Last year the indigent Ministry of Defense barely scraped up enough money for 32. This is only 6 percent of the required quantity!

That there are no planes is not the whole problem. There is no fuel! Even for those planes that can still fly. Because of this, a pilot spends on average 25-30 hours a year in the cockpit. While in the U.S. Air Force, 200 hours at minimum.

To fly as needed and where needed, one needs communications. Ours are physically outdated and obsolete.

One needs air fields. More than half of them need urgent repairs. One can go on and on enumerating these facts. There is one single cause for all the troubles—no money in the military budget. And it is empty because the state budget is empty. All the money has gone into the reforms. We have gotten to a point where the draft 1995 budget does not envisage any aircraft procurement for the Air Force at all. This is happening for the first time in its history.

Drawing boards in aviation design bureaus are growing cobwebs. Poverty reigns here, too. Military topics comprise 1-2 percent of their load. While enterprises producing military equipment operate at 1-10 percent of capacity. "As a result, the scientific-technical and production potential accumulated over many years and representing the national wealth of Russia is being irretrievably lost. This will undermine the country's defense capability by the year 2005 and cause Russia to lose the status of an aviation power," was the summation of the speech by Colonel General M. Soroka, one of Ministry of Defense's chief aviators.

So how did the Duma respond to the dismal situation in aviation? It was much more concerned with remapping electoral districts, for which the deputies even sacrificed their parliamentary recess. Well, this is the Duma—what can one expect?

On the Surface Everything Is Calm and Proper....

How do the Kremlin thinkers close to His Highness the President view the West's expansion? M. Livshits, the president's adviser on economic issues, had this to say regarding the West's economic expansion and the loss of national independence: "Foreigners are behind a great many Russian financial structures and banks, and this is a known fact. It is not always possible to learn what the agreement between them is. In any case, the interest in securities and corporate paper is sufficiently great, especially in those of leading companies. Both inside and outside Russia. I cannot rule out that next year interest will develop in Russian Government securities. This could replace IMF credits."

Some people think that those at the top do not know about the West's subversion. Directors write letters to the president. They are concerned that our aviation is being bought up by Nick & See Corporation, which does not reside either in Russia or the United States and behind which could be anybody, even the CIA. We are surprised when the government does not take the proper steps to protect strategic industry sectors. It turns out that we should not worry. Because they, the interventionists, make the IMF's life easier! And we, silly people, do not even know it.

The paradoxical thinking of Mr. Livshits and his ilk reflects the substance of the policy that is presenting black as white and vice versa. The Institute of Economic Analysis, headed by the young genius A. Illarionov, prepared jointly with the notorious J. Sachs a capital work "Financial Stabilization in Russia," which smashes to smithereens the myth of the antipopular policy of the reformers-capitalizers. Economists-magicians prove the opposite, in particular, that Russia is a record-setter among East European countries in terms of rate of growth in social expenditures. And this is being presented as the greatest achievement!

Some hope that the economy can be pulled out of the low water by the fuel and power generation complex. A suicidal reckoning. The fuel and power generation complex's technical base is extremely worn out. It is impossible to keep the sector afloat without increasing exports of its products. In an environment of declining production of raw materials! In order not to leave ourselves completely without energy, we will have to correct the dangerous tilt towards exports by raising prices until they reach the world level. This means that enterprises, already suffering from lack of working capital because of enormous expenditures on heat and energy, sooner of later will go bankrupt. And then, in order to survive, they will be sold "at their own request" to anyone and in any way. As a result, the dollar will get hold of everything that is of interest to it. And nothing will then stop corporations such as Nick, let alone United Technologies or First Boston.

Federal Assembly

Shumeyko's Views on Military Funding Noted

*964F0097A Moscow INTERFAKS-AIF in Russian
25 Sep 95 No 13, p 3*

[Article by Ilya Sinyutkin: "Will V. Shumeyko Manage To Increase Military Expenditures?"]

[FBIS Translated Text] Up to this point in the debates over the 1996 Russian budget only voices of representatives of the government, deputies of the State Duma, and outside experts have been clearly heard. The upper chamber of parliament, the Federation Council, has remained somewhat on the sidelines. Few recall the opinion of the "senators," who represent the mighty regional elite, who have their own view of things.

We know for certain that the leaders of the components of the Federation will staunchly defend the so-called "federalism" of the budget, which means greater financial independence for the regions.

Last week there appeared, however, signs that the Federation Council intends to defend its own view of the budget process as a whole.

The INTERFAX Agency disseminated a report about an official letter which Federation Council Speaker Vladimir Shumeyko sent to Prime Minister Viktor Chernomyrdin.

V. Shumeyko spoke out in favor of increasing military expenditures and suggested revising the principles of defense financing included in the draft budget for 1996.

Additionally, it is emphasized in the letter that the need for financing defense and ensuring state security "must take precedence" and "have unconditional priority," "regardless of how difficult the financial and economic situation in the country may be."

The overall sum of the increase in defense allocations proposed by the speaker is 7 trillion rubles [R] (to R86 trillion).

The speaker justifies his proposals by, among other things, "the aggravation of the foreign political situation" and the "change in the economic situation in the country" (without, incidentally, elaborating on these concepts).

V. Shumeyko advocates particularly adding money for scientific research work for the needs of the Army and the purchase of new types of weapons and technical materiel.

V. Shumeyko's letter may be regarded as one of the first serious signals that this time the regional leaders intend to defend their opinion more staunchly than they did when the 1995 budget was being adopted.

One of the key aspects of the battle over the budget in the Federation Council will be the interests of the military-industrial complex, whose enterprises compose the lion's share of the economic infrastructure in the majority of the provincial centers of the country. Military plants and productions that serve them are the basis and a condition for the vital activity of entire regions of Russia, and people employed in military and paramilitary production make up a considerable share of the voters here.

There is another important aspect of V. Shumeyko's address (which, according to certain information, gained support for his step from a large part of the Federation Council). While emphasizing the importance of continuing the financing of research work in the area of military developments, V. Shumeyko proposed introducing "principles of program financing" for defense.

These principles, according to the text of the message to the prime minister, imply "financial technology which would envision automation of the financing of certain defense expenditures for the entire period when one defense program or another is in effect, without taking out credit each year."

V. Shumeyko's idea of paying the pension to military servicemen (more than 12 percent of the expenditures on defense) not out of the military budget, as envisioned by the plan, but out of the general federal budget might seem attractive so some.

But it seems that this is another one of those proposals that are difficult to implement under current conditions, which might be rejected in order to achieve the main thing—an increase in the military budget. To do this, true, one must first convince the other legislators and the government that defense expenditures must be considered a priority of the 1996 budget.

Regional Affairs

Regions Face Campaign Funding Problems

964F0105A Novosibirsk SOVETSKAYA SIBIR in Russian 11 Oct 95 p 1

[N. Zubritskaya report: "For Money, on Enthusiasm, or No Way?"]

[FBIS Translated Text] It was understandable that the elections of deputies of the Second State Duma would cost so "pretty a penny" that it is hard to count the number of zeros. Without mention of these enormous sums, the republics, krays, and oblasts were promised the money necessary to cover all expenses.

The disappointments of both sides—funded and funding—began in the summer. Moscow was able to scrape together 23 million rubles for revision of the electoral rolls of our oblast. If divided among the rayon administrations, that would have made approximately R400,000 each. In order not to make the people nervous with such money, with which performing the electoral roll procedures was impossible, it was decided to spend it on the publication of the federal election laws—for the precinct commissions.

Additional funds were promised for work on the electoral rolls. But fulfillment of the promises dragged on. The date the Central Election Commission had set for financing the campaign as a whole—1 October—finally arrived. But Moscow was unable to meet its own deadline. The money was sent subsequently, but it was ascertained while en route that it was insufficient. The sum will hardly cover the expenditure of the electoral precincts, and of far from all of them at that. For example, there is nothing with which to order new seals, and for this reason it was decided to certify the documents with the old ones. As we are promised once again, there will be additional funds, but they will, as a whole, be sufficient merely for one-third of the necessary expenditure. Some R9-10 billion are required for the whole campaign.

In some rayons of Novosibirsk and also in the countryside problems with the formation of the precinct electoral commissions have arisen. People are refusing to work on enthusiasm alone and are demanding guaranteed remuneration. Of course, the custom of working on a volunteer basis has not entirely been forgotten, but inflation and hidden unemployment compel the question of adequate material compensation. According to estimates already received by the Novosibirsk Oblast Electoral Commission, incidentally, the salary of the chairman of a precinct commission is R168,000. Unless the Central Election Commission reconsiders its decision, there will be a violation of the Code of Labor Laws, which says that volunteer work in realization of suffrage shall be compensated in amounts not less than average earnings. And these are now for many employees higher, according to the estimates, than the earnings of the chairmen of territorial and district commissions and lawyers.

All this has given rise among some members of electoral commissions of various levels to the conjecture that the term of the deputies of the State Duma could be extended on account of the shortage of money. But the elections will hardly be postponed, despite the fact that the campaign is being funded at the level of December 1993, when prices were entirely different.

*Duma Committee Chairman Sliva Assesses Self-Government Law

954E1453A Moscow ROSSIYSKIYE VESTI in Russian 19 Sep 95 p 2

[Interview with Anatoliy Sliva, Duma Committee on Questions of Local Self-Government chairman, RF presidential Council on Local Self-Government executive secretary, by Tatyana Sukhomlinova: "'Pyramid of Power' Built From Below"]

[FBIS Translated Text] **On September 1, the Federal Law "On General Principles for the Organization of Local Self-Government in the Russian Federation" came into force. At a recent meeting with journalists, Boris Yeltsin characterized it as "the first democratic law of democratic Russia," emphasizing that for the first time, local self-government, dependent not upon the government vertical structure, but on the will of the population, was being addressed.**

This document is extremely different from the long line of other legislative acts. For this reason, it is unlikely that it will lead a quiet life. It was on this subject that my conversation with Anatoliy SLIVA, Duma Committee on Questions of Local Self-Government chairman and RF presidential Council on Local Self-Government executive secretary, took place.

[Sukhomlinova] Anatoliy Yakovlevich, the law on local self-government provides a legal basis for reforming the bases of the "pyramid of power"—that is, that which has, until now, escaped change. Are these changes possible in principle?

[Sliva] Both possible and necessary. In general, I feel that this is the beginning of Russia's renewal and of the building of a truly democratic state. You might say, how can you talk seriously about democracy when there is essentially no local democracy?! When the people living in some small town or village depend for everything, even for the resolution of their own peculiar problems, on some boss they can never reach...

[Sukhomlinova] So what does that mean; now, all of a sudden, they won't depend on him anymore?

[Sliva] I understand your irony. Unfortunately, there are people who, in all seriousness, think about with it in exactly that way: the law has been adopted—and self-government here will blossom into a magnificent flower. When they experience the first difficulties, they will be among the disenchanted: the law isn't right, and Russia isn't ready for democracy...

This law provides the impetus for work in the legislative and executive branches for many, many years. To speak of quick changes in this sphere is a great error.

[Sukhomlinova] The law on local self-government is nearly all-embracing. But what, in your opinion, is its main feature?

[Sliva] The fact that according to this law, organs of local self-government are independent and, to a certain extent, autonomous from the state authorities. They deal with problems of local significance that are their own responsibility. Incidentally, independence for local self-government was mentioned first not in this law, but in the country's Constitution.

But I intentionally spoke with care about the relative degree of their independence. It is understandable that there is no need to speak of full independence from the state authorities. State government structures still keep local self-government at a very close rein—whether we're talking about finances, property, land use or otherwise. But according to the law, if you like, it is already forbidden to issue commands to a representative of local self-government. On the whole, we are speaking of an entirely new quality of relations between all levels of government, down to the local level. Naturally, these relations will not be formed in an hour.

[Sukhomlinova] But where is the basis for relations like this? Crudely speaking, without money, you can't repair a roof, even if all, one hundred percent of the electorate of some settlement votes for you. All the same, you'll have to bow to whomever is in charge of the budget...

[Sliva] You know, that is the point on which both opponents of this law and its sympathizers agree—how will the budgetary and financial needs of local self-government be provided for? But, excuse me, how is support provided in these areas now, for example, to business? Or social protection for the population? But this doesn't mean that we must turn down one or the other. So questions concerning the formation of budgetary and financial bases for local self-government will be resolved in the general context of Russia's budgetary and financial reforms. Although, it must be said, the law gives territorial forms of government the broadest rights and opportunities to earn funds to be used in resolving local problems.

[Sukhomlinova] However, the law's accent is on tax revenues in the budget of local territorial forms of government. Consequently, we must expect the appearance of new taxes. And this is at a time when so much has already been said about the excessive tax burden, about the fact that an innumerable multitude of taxes has blossomed...

[Sliva] I agree, the tax problem is extremely serious. But quite recently, I was in Samara at the famous chocolate factory, which is now a Russian-Swiss joint stock company. All the same, I managed to squeeze out of the director how much he pays in taxes. It turned out to be 51 percent. I ask: and where do your taxes go? How much goes into the federal budget, how much into the oblast budget, and, most importantly, how much goes into the city of Samara, where your factory is located, where your people live? And he answered: I don't care about that, the main thing is that I've paid my taxes... And so, until you care what your hard-earned money that you give up to the government in the form of taxes is being spent on, there will be no order here.

Tax pressure must not just be weakened; we must make the utilization of tax revenues more rational. This is what is vitally important for local self-government. And for the first time, the law pushes for reform of the tax system in exactly this direction. Specifically, by law, the share of deposits into the local budget must be stable over a period of several years. It is exactly stability, clarity that are lacking in local budgetary relations now. This means, let's bring some order to these relations, even on the "Federation subject-municipal formation" level. And in order to do this, regional legislative organs must develop and adopt their own laws on inter-budgetary relations in the oblast, the republic, the kray. Distinct mechanisms must be laid out within them for stable, long-term relations. Incidentally, a law like this has been adopted, for example, by the legislative assembly of Perm Oblast. and it is exactly there, as far as I know, that there are significantly more adherents of local self-government than in many other regions. And this is understandable—there, they had a foundation...

[Sukhomlinova] In other words, the law proposes the reform of inter-budgetary relations, the tax system on the level of Federation subjects, up to the local territorial form of government. In a way, it makes this mandatory and inevitable. But there can be no self-government without municipal property...

[Sliva] I agree: there is not and cannot be. Incidentally, the budget, itself is a part of municipal property. The main thing that is necessary now is that we protect that property from being pulled apart. Although God knows how much of it has already been dragged away! The law places a distinct barrier here: municipal property is both what remains and what can be earned, bought by the municipal community, and that which may "spill over" from federal or regional property,—starting September 1, none of this can be privatized without an appropriate resolution by an elected, representative municipal organ or the population, itself. What is to be done with that property must be decided by the municipality, itself: to either manage it, itself, hiring professionals on contract, or to lease it, or to privatize it (sometimes this is more profitable)... But this is decided by the residents of the specific municipality, themselves, who have considered all the possible variations a thousand times.

Besides this, the law gives the right and opportunity to persons elected from the population to resolve hundred of problems of local significance independently, assuming responsibility themselves. That is, to concern themselves with the shirt that is closest to their bodies.

[Sukhomlinova] Anatoliy Yakovlevich, you are always emphasizing that both the representative organ and the chief of the local self-government organization are elected from the population. The law only entered into force September first, too little time has passed...

[Sliva] In working on this document, we, as they say, didn't invent the wheel. Much that is written in it is already functioning in various regions. There are already both heads of local self-government organizations who were elected by the people, and representative organs. True, there are also regions that don't fear, as we say, local democracy,—Murmansk, Chelyanbinsk oblasts, for example... So the law distinctly says: the representative organ must be elected by the population. The chief of the municipality—is only and exclusively an elected official. The chief may be elected either by the entire population or by members of the representative organ. And elections must be conducted within six months after the law goes into effect. So the "counter" has been ticking since September first.

Over this time, quite a lot can be done by Federation subject legislative assemblies. They can adopt their own laws on local self-government based on the federal law. In twenty-some regions, they have already been adopted. In some, they have simply been put aside until the adoption of our law.

Laws dealing with the election of chiefs of municipalities, the election of representative organs of local self-government, laws on the local referendum must also be adopted...

[Sukhomlinova] A legalized requirement for elections is indisputably a good thing. But what are your comments on this letter, which came to ROSSIYSKIYE VESTI from the village of Nikolayevka in Novosibirsk Oblast! It tells about how people at a village gathering were told that members of the representative organ were elected, but that the local self-government chief was appointed. So they appointed the kolkhoz chairman...

[Sliva] Alas, this is a problem not just for Nikolayevka, but for hundreds and hundreds of settlements where the same sort of thing is going on right now. This type of situation simply does not allow local self-government to develop, it makes it a fiction.

[Sukhomlinova] And what can be done? What can be done if elections haven't taken place for one reason or another? If the law is broken?

[Sliva] If the number of voters is insufficient—elections must be scheduled for another time. And if elections were simply not scheduled, as required by the law (evidently, this is what occurred in Nikolayevka), if officials, including representatives of the executive branch, "sitting" on budgetary funds earmarked for financing the elections, are dragging the elections out? For now, the law does not give any complete answers to that question, but it does hint at the manner in which this might be opposed. The law mandates that the RF government present to the State Duma a draft law on the liability of officials at every level for preventing the implementation by citizens of their rights to local self-government. It has in mind that this liability could be criminal.

Besides this, any citizen or group of citizens, or even an elected representative organ of local self-government, has the right to bring a lawsuit in court, and in this manner, to achieve the scheduling of elections. In the end, the prosecutor's office must safeguard the execution of laws. A normal state of government must be created.

[Sukhomlinova] Tell me, is any integrated structure of local self-government provided for, or a rigid model?

[Sliva] It is no accident that the law was called "On General Principles". One could only speak of a rigid model from the point of view of observing the main principles. Without an elected representative organ or a municipal chief, there is no self-government. Without allotting municipal property to local government with the right to dispose of it, without the allocation of municipal lands based on a clear, legal procedure, there is no self-government. Nor does it exist without judicial protection. All this is categorically imperative for all of Russia. And as far as local self-government is concerned, names, structures—they can be as varied as they want. One place, for example, will decide that it doesn't need an elected representative organ, but that a citizens' meeting once every half-year and an elected chief are enough for them. While elsewhere, as in Togliatti, the elected city mayor, himself, will appoint the administration chief. Here, we have whatever life tells us.

[Sukhomlinova] Paying special attention to the law on local self-government during his meeting with journalists, Boris Yeltsin said that he had objections to it, although it is true that he didn't say what they were. You must know about them?

[Sliva] I don't know all of the president's objections to the law. But I do know one thing. The president signed the law. and this signifies legally that he approves of everything that is in that document, and that he is letting it live. I think that we are most likely speaking of problems related to the realization of that law, especially in the economic sphere. But, after all, it is impossible to comprehend the incomprehensible within one document. We are speaking of the fact that a municipal law—as a system of laws, has begun to form based on the Constitution and this law. I repeat, a system that in the future should include tens, if not hundreds, of legislative acts. Our law provides the basis for this system's development.

*Problems Implementing Self-Government Law Discussed

964E0013A Moscow ROSSIYSKIYE VESTI in Russian 28 Sep 95 pp 1-2

[Article by Yuriy Aleksandrov: "In the Shadow of the Branches of Power, Shoots of Local Self-Government Are Breaking Through"]

[FBIS Translated Text] On 12 August, the State Duma gave final adoption to, and on the 28th the president signed the Federal Law, "On General Principles of Organization of Local Self-Government in the Russian Federation." Thus, the final line was drawn under the 90-year history of the Soviets in Russia. Born of the first Russian revolution and becoming the form of organization of state power to the sound of the thundering cannons of the "Aurora," they are fading into the past quite peacefully. Although even here, unfortunately, at one of the stages it was not without some bloodshed.

SOVIETS WITH BOLSHEVIKS AND WITHOUT

The start of dismantling of the Soviet system was in fact the removal from the USSR Constitution of the infamous Article 6, by which the Communist Party was given the role not only of the leading and guiding force of society, but also the nucleus of all state and social organizations. Then the failure of the GKCP [State Committee for Emergency Situation] plot entailed the de-partization of the entire state system of Russia, and a situation arose whereby suddenly the old slogan of the Kronstadt fighters of '21 was realized: "For Soviets without Bolsheviks." Parallel to various amendments to the effective constitution, the system of hierarchical subordination of soviets of various levels was repealed: The obligation to implement decisions of superior state organs and the accountability of executive committees to the superior executive-directive organ. In other words, the vertical of Soviet power was destroyed.

It seemed that the formation of a democratic system of organs of power had been given the green light. However, the road from the past to the future is rarely straight and smooth. The matter was not even the fact that representatives of the former party-state elite remained at the head of too many soviets of various levels. The exacerbated struggle over the reformist course of the president exposed the principle unsuitability of the Soviet form of organization of power for construction of a legal state based on division of the three primary branches of power. It was specifically under the slogan of omnipotence of the Soviets that the irreconcilable oppositionary majority of the deputy corps staged their assault on the recently formed presidential branch of power, with the ultimate goal of restoring dictatorship of the state in relation to society.

Only the most naive people could picture the desire to eliminate the post of president or to turn it into a purely decorative one, and to subordinate the government to the Supreme Soviet and Congress of People's Deputies, as representing "shoots of democracy." The preservation of the basic principle of indivisibility of the power functions of the Soviets attracted the irreconcilables by quite the opposite—the possibility of restoring the vertical of authoritarian state power on the basis of the executive-directive organs of the system of Soviets, which in fact had turned into legislative organs. For this, aside from all else, efforts were made to arbitrarily expand the powers and authorities of the Supreme Soviet Presidium, to strictly coorelate and coordinate the actions of the soviet organs from bottom to top along a single vertical, and to re-subordinate all law enforcement agencies in the regions to the local soviets.

Under these conditions, it was specifically the position of the president which emerged as more consistently democratic, since he defended the principle of a clear delineation of powers and authorities of the various branches of power. And if today we observe a certain preponderance of the presidential branch over the representative, under normal development of events such a situation should prove to be merely an intermediate stage of development of a legal state in the direction of greater balance of relations between its branches, a strengthening of control functions of the representative branch in relation to the executive. And the recently adopted "Law on Local Self-Government" should also facilitate this.

DENATIONALIZATION OF LOCAL POWER

According to the new law, the organs of local self-government, unlike the soviets which, as we may recall, were organs of state power, are not such. They "do not enter into the system of organs of state power," and "implementation of local self-government by organs of state power and state officials is not permitted" (Article 14, p 5). Nor is the formation of organs of local self-government or the appointment of their officials by state officials (Article 1). At the same time, the principle of hierarchical subordination of organs of local self-government to some superior institutions—representative or executive—is repealed. That is, that very same principle of dual subordination which in practice turned executive organs of soviets of all levels into segments of the real power vertical of the state, and the representative organs—into decorative ones. Regardless of whether they had a political party behind them or not.

At the same time, the matter is not limited to declarations. The law provides guarantees of independence of the system of local self-government. It establishes a precise order of division of powers and authorities of the organs of state power of the Federation and subjects of the Federation in regard to local self-government and the objects of management of the organs of the latter. The methods of protection and implementation of state interests in the sphere of functioning of the system of local self-government are specially defined by the law, as is the order of granting its organs individual state powers and authorities. Moreover, transfer of powers and authorities of organs of local self-government to associations and unions of municipal formations is prohibited, and a barrier is thereby placed in the path of formulating hierarchical power structures within the very system of local self-government.

Among the most important guarantees of independence of the organs of local self-government is also the right granted to them—unlike the local soviets of the past—to formulate their own budgets, to introduce local taxes and fees, to manage municipal property, to issue local loans, and to deduct part of the profits of municipal enterprises for themselves. The state, in turn, guarantees the stability of the system of local self-government, assuming the responsibility of ensuring the formation of a minimal local budget within the limits of the standards established by law.

Thus, in certain respects the new law has a similarity with the pre-revolutionary legislation on the local zemstvo self-government. There is the same absence of central institutions and division of objects of administration with the state organs, as well as the budget independence. And from here the natural question arises: Will the current organs of local self-government be able to bring the matter which the zemstvo only touched upon to a successful conclusion—to include the mass of population of Russia into constructive work on the basis of rationally recognized personal and group interests, combined with all-state interests? Instead of always being led by the state in a direction which is known only to it?

A GOOD LAW IS ONLY HALF THE MATTER

Everyone knows that power comes from the people. However, they understand this in different ways. And the question about how to build the new Russian society and state—from the top down in the name of the people, from the bottom up by the people themselves, or from both ends simultaneously—remains a matter for acute discussion to this day. The idea of a return to one form of authoritarian power or another also has numerous proponents and sympathizers. In general, it is natural for Russian social consciousness, since it reflects both the centuries-old experience of Russian statehood, and the instability of present-day life. Serious doubts are being expressed about the possibility of proceeding along the path of local self-government under the current conditions, when Russian society is deeply divided, almost atomized, unable or unwilling to adhere to law and order. And such a state of affairs did not emerge today or yesterday. Its roots go back to preceding decades, and even to pre-revolutionary times.

The start of rapid social disintegration of Russian society was marked by the class struggle and inter-ethnic antagonisms, which led to the fall of czarism and civil war of all against all. Subsequently, the total repressions, the gigantic military losses and the continuing displacements of huge masses of the population in the course of socialist industrialization created that situation of the constantly seething kettle in which people and nations were mixed together, and the ties that had been maintained for centuries were broken. These were primarily family, relative, ethno-social, neighborly and fellow countryman relations. According to the ideas of the bolsheviks, they were to be replaced by class relations, affirmed in the course of socialist construction. It was specifically for this reason that all of the social life was organized by them according to the production principle, on the basis of state enterprises and institutions, which became the basis of party and trade union organizations and electoral activity (nomination of candidates for deputy, agitation work). And it was also for this reason that they assumed the maintenance of a significant part of the social infrastructure of the cities and villages.

Already at that time, from the very beginning, this held a threat of disunification of the population in the places of permanent residence, and this threat was becoming an ever more apparent reality as the general collapse of the socialist social experiment became more and more apparent. Accordingly, public morals—family, domestic and class—were in a state of erosion and degradation. Yet a sacred place cannot remain empty. Therefore, they were replaced by the morals, taste, and culture inherent to lower stages of historical development of mankind (dating back to the deepest archaics), whose primary carriers in the current world are the criminal elements. The scope of spread of the subculture of the criminal world beyond its boundaries in Soviet and post-Soviet Russian society is truly great. It has penetrated into its most varied strata. And today, when a grandiose and very rapid process of redistribution of property and initial accumulation of capital on the basis of private ownership has expanded in Russia, the archaic morals are running the show.

It is specifically in such social conditions, supplemented by mass dissatisfaction with the existing authorities, that the system of local people's self-government is to be formulated—as organs of people's power, and not as organs of a state power order. The task, clearly, is exceptionally complex, posing a multitude of difficult problems for all who tackle it. One such problem is the socio-political passiveness of the majority of the population, which conceals a threat of isolation of the formulated organs of local self-government from the everyday needs of the residents, their closure around certain group interests, or their turning into a self-organization of corrupt officials. Another danger consists of the possibility of penetration of well organized criminal elements into the system of local self-government. Examples of this may be seen not only in Chechnya starting with '91, but also in regions where organs and structures of the Cossack self-government are being formulated. That is, the discussion centers around the possibility of forming a certain symbiosis of power and criminal structures modeled after the Sicilian mafia, but on a much larger scale.

One more difficulty consists of the limited local base of budget independence of the organs of self-government. The reasons are generally well known. They include mass poverty of the population as well as a high percentage of pensioners: About one-fourth of the population of small cities and around 45 percent in rural regions. Many industrial and agricultural enterprises, which are still carrying the burden of supporting the local social infrastructure, find themselves in a difficult position. There is a limited real estate tax base, with undeveloped private land ownership and insufficiently rational mechanism of formation of the system of payment for housing and municipal services. Finally, there is practically total control by criminal organizations of extortionists over the income of the private enterpreneurship which is being formed at the grass roots level.

The combination of all these reasons and circumstances gives rise to a lack of confidence in the viability of the local authorities outside the system of direct state administration. The ideas of organization of self-government on the basis of the production structures remain rather popular in the regions, or more often—the integration of local structures of administration into the system of state power. Especially at the level of subjects of the Federation. That is, the restoration of the state power vertical modeled after the system of soviets, with supremacy of the executive organs of power over the representative. There were many examples of this sort in the various regions in the period preceding the adoption of the law on local self-government.

In the regions and directly in the local areas everywhere, as before, there is a great propensity toward hammering out or begging for funds from the federal budget and the budgets of the regions, while the local economic initiative is too weak. This is what limits the capacities of the local self-government itself, and creates problems for the state budget which are difficult to resolve. After all, according to the data of the Analytical Administration of the President of the RF [Russian Federation], today almost 85 percent of the regions of Russia have the status of "needy" or "especially needy." And the budgets of certain subjects of the Federation, primarily in the North Caucasus, are almost exclusively formulated at the expense of federal budget subsidies. All this gives rise to doubts as to the viability of the system of local self-government as such.

OTHER WAYS ARE EVEN WORSE

In general, the solution of the problem of building Russia "from the bottom up" requires more than just good laws. It is no accident that the history of this idea in our country is so dramatic. However, the path of authoritarian power is even worse. This is evidenced not only by our history, but also by the experience of many other countries, where active state construction developed already after World War II. Those people in our country who like to nod in the direction of Pinochet, Suharto or, say, Franco, do not know or are forgetting the main thing. Authoritarian power may play a definite positive role during peacetime only where (and then only for a comparatively short time) destabilization of society affects the superficial layers of its life, but where the deep-seated foundations of its existence remain rather reliable. In this case, the role of the authorities is generally limited to the function of suppressing radicalism and extremism. This was the case in Spain and in Chile, and this remains the case in Indonesia.

But when society begins to lose stability at the very basic support points of its existence—in the strong family, healthy social morals, or basic principles of national and world civilization—the totalitarian or criminal rebirth of any authoritarian power is practically inevitable. And the only effective alternative to this tendency for us remains the building of a civil society. In turn, its two basic principles are a legal state and local self-government.

And it would be incorrect to affirm that, supposedly, everything possible is being done along this path. It is sooner to the contrary. As an example, it is enough to recall the brief history of the weak attempts of the organized democratic movement to enter into interaction with the non-political movements of social directionality (the "greens," societies for protection of consumers, cooperative owners, farmers, etc.) which in greatest degree facilitate the growth of social activity of the population specifically at the place of residence. Or the ideological undertaking of numerous representatives of the provincial intelligentsia, preserving and restoring the historical-cultural heritage of the people. This is an activity bypassed by too many politicians of democratic orientation. Just as they bypass numerous difficult problems of small enterprise in the local areas.

Nevertheless, it is specifically the development of local self-government that may yield valuable organizational forms which must develop activity on overcoming the destructive tendencies in all spheres of our everyday life—in economics, social relations, and morals. Forms which help unite people and orient local life toward rationally understood positive goals, at the same time facilitating the creation of a healthy political climate at all levels of society. Primarily by means of limiting the authoritarian-bureaucratic tendencies of state power in the regions and at the federal level.

Examination of Oblast Draft Rules Urged

954F3554A Novosibirsk SOVETSKAYA SIBIR in Russian 21 Sep 95 pp 1-2

[Article by L. Senenova: "Discussing the Oblast Draft Regulations. To Act and Not Get Involved in a Tug of War"]

[FBIS Translated Text] Solve the problem: Are you familiar with the new Constitution of Russia, for which there was a public vote?

I think that many will honestly admit: "No."

Yes, the draft was published, but nobody actually asked our opinion. But we went to the precinct as usual and wrote on the ballot: "Yes. I accept it."

But the picture is altogether different now, when discussing the future regulations of our oblast, which one might call the oblast "constitution." The oblast leadership, the deputies, the developers worked on the document as a public process, and, moreover, they are initiating discussion in an organized way so that when they complete it they will be able to take into account the most significant suggestions and objections.

At branch conferences of representatives of cities and rayons, which were apparently already over by last Friday, they discussed key aspects of the drafts of two interconnected documents at once: the oblast regulations and the "Law on Elections of the Head of the Administration of Novosibirsk Oblast." But only the conceptual provisions which give a choice of a variation.

When opening this very representative conference, the chairman of the oblast soviet, A.P. Sychev, discussed the work on the basic document from the package concerning state construction in the oblast, noting both the provisions that received approval from specialists of the community and the disputed aspects. He also analyzed the results of a public poll taken with a questionnaire.

The head of the oblast administration, I.I. Indinok, in turn, did not repeat or approve the social assessments of the documents under discussion but only expressed his opinion regarding items that were fundamental in his view. And he defended his positions, particularly regarding the fact that the elections of the oblast administration by the people of the oblast was conducted by D.T. Puchkin, a member of the working group of planners from the administration.

I do not think that arguments of the following type sounded convincing: "A mandate of confidence will make it possible for the head of the oblast administration to build his relations with Moscow more confidently," "to eliminate unfairness in budget support for the population for the oblast," etc.

Just the fact that his political destiny will not depend on the particular president is an undoubted advantage for a popularly elected head as compared to an appointed one. The elected head will be less disturbed if the old president leaves and a new one takes over. But, paradoxical as it may be, our head, upon achieving national election, does not consider this principle to be one that should be applied directly and is more inclined to appoint the lower "heads"—leaders of lower-level administrations.

And, incidentally, this viewpoint is not explained by a love of power. When discussing this point his supporters also put forth a convincing argument: How, they said, can, say, the head of a rayon administration carry out various local tasks if there are people in office there who do not understand him? The principle of the team is perhaps not as much a matter of administration as it seems.

But the majority of those speaking at the forum support the idea of direct elections.

Incidentally, I cannot say with complete confidence that they were in the majority. A number of speakers expressed solidarity with the authors of the alternative version—of electing the head of the administration at a meeting of representatives. This idea of the chairman of the committee on legislation of the oblast soviet, V.

Ye Kuznetsov, is more convincing than it is unfeasible, which was recognized by the head of the oblast administration himself. "We will reach that point," Ivan Ivanovich thinks, "but it will not be tomorrow."

The proposal of Kuznetsov's supporters seems antidemocratic to some. They say that it implies pressure on the expression of the will of the people, but Viktor Yegorovich along with half of his committee think that "nationwide" elections are only bright as in colored packaging. Do we, the people always make our choice conscientiously?

Recently the press center of the oblast soviet conducted a flash poll of 30 people they met in the street. The majority (!) of them cannot remember the name of the deputy to the State Duma for whom they voted in the past elections!

The public image of the individual leader does not always reflect his personality adequately. We admit that this is debatable and cannot be proved. But the second point is indisputable: After the nationwide election the leader is no longer under the people's control, since there is no "mechanism" of responsibility. A referendum on "Are you satisfied with the activity of the president (equivalent to the head) and would you like to recall him?" is not really meaningful. An assembly of representatives of the oblast population (deputies, heads of the executive and representative branches, etc. elected by the population) could realistically serve as such a mechanism. Such a forum is suggested for electing the head of the administration and hearing his reports, and, if necessary, deciding the issue of his resignation.

The same thing would be true with disbanding the oblast representative organ.

Feedback from the people, who in the regulations are called the only source of power, is not envisioned in the basic version of this document. Feedback—in the sense of control.

Previously, with "sovereignty" of the soviets, the right to control was assigned to the representative organ of power. Now that the state power is organized in the center and in the localities, the liberal democratic model has been selected and each area of state power, according to the principle of separation of power, is independent and acts strictly according to its own authority: Mutual control as such has been abolished.

Proposals to "rectify" this situation in the regulations by establishing a norm of accountability of the head of the executive power to the legislators were evoked by a counter-proposal—from their side. "Please" said Ivan Ivanovich, "I have no objection to such reports. But then the regulations must have another norm as well: the right of the administration to disband the oblast soviet."

On the other hand, the existing practice of interrelations, etc. among leaders of the oblast and the legislative and executive organs of state power themselves are such that the head of the administration is answerable for execution of the budget approved by the oblast soviet and consults in the form of a budget message, informs, participates in the work, etc.

De facto the separated oblast power actually functions in concert, and the role of the subjective factor here cannot be denied.

The system of organs of state power and the delimitation of entities of jurisdiction of authority and also their interaction will now be regulated not only by the Constitution of the Russian Federation but also by the regulations of the oblast and the laws of the oblast. But—completely in keeping with the laws of the Russian Federation and its Constitution, however, so far certain proposals stand in contradiction to existing federal laws. This pertains in particular to reconstruction of the legislative organ. In addition to the proposed increase in the number of deputies working on a permanent basis, one regularly hears the idea that it is necessary to extend the term of office of the current soviet for another two years with a possible rotation of deputies.

Some of the developers of the regulation have an even bolder proposal: to introduce on the territory of the oblast a new level of state power—representative organs in cities under oblast jurisdiction and rayons.

According to existing legislation, the state level of administration is the oblast. Even the city of Novosibirsk, which in terms of population is half the oblast, is self-administered.

Is it possible to have organs of state power of any rural rayon when not one of them has the basic lever of power—money, since all of them are on subsidies?

It is another matter that it is necessary to have a legal base for organizing organs of state administration in cities and rayons.

An attempt has been made to bring innovation to the structure of the executive power as well.

Indinok has already emphasized repeatedly that he acts in two different roles: as a political figure and as the leader of the executive power. He thinks that such a combination does not serve the cause and it would be expedient to introduce a provision concerning a higher official as a subject of power on a level with the executive power—an administration which would be headed by another person—one of the deputies of the head.

In this proposal it is easy to discern the model of a presidential republic where the right of the subject of power is granted to the highest official and his apparatus, which is essentially a second (and perhaps a first) government.

The growth of the army of bureaucrats might not even be the main flaw in this model.

It is difficult to say whether there are many supporters of presidential rule in our oblast, even in this audience (among leaders of organs of power of all stripes). There are proposals and there are objections.

The most difficult thing about the development of the regulations, in the opinion of a number of the speakers, is the question of local self-government, which is largely explained by the fact that work on the draft regulations began and was basically completed before the publication of the federal law "On General Principles of Self-Government." And therefore certain provisions of the regulations contradict it.

The deputy chairman of the city assembly of Novosibirsk, V.G. Krivoshchekov, discussed the costs of the draft of the oblast document. He emphasized that the local municipal power cannot be a state power. These concepts—local, municipal—pertain to self- administration. This is a completely new power and it is protected by the law according to which the rights to local self-government cannot be restricted since this would be a violation of the right of the territory's population to government.

One can note another debatable aspect in the discussion of the regulations: Is there any need to "hurry" with the elections of the head of the oblast administration? Or should the elections be timed to coincide with the elections of deputies to the oblast soviet? The motive would be to staff the offices at the same time. Or—with the presidential elections? Then it would be the entire vertical!

Both viewpoints can be argued. How it will turn out in the regulations will be decided by the deputies at the session.

The conference was interesting and the speeches were constructive. One conclusion: The regulations must be adopted more rapidly, which is also true of the documents that are missing "from the package"—the law on the organization of power on the territory of Novosibirsk Oblast and the law on local self-government.

A further reading of the regulations by the deputies is still in the future, but for now—more painstaking work.

It is a good thing that in this work the representatives—both legislative and representative—have the same goal, which was expressed in the conclusion by A.P. Sychev: "....to act in the interests of the population and not get into a tug of war."

Severe Decrease in Ozone Layer Examined

964F0020A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 29 Sep 95 p 21

[Interview with Doctor of Physico-Mathematical Sciences Nikolay Yelanskiy, president of the Fund for Assistance to Ozone Sphere Research and laboratory manager at the Russian Academy of Sciences Institute of Physics of the Atmosphere, by Sergey Kalenkin; place and date not given: "Why Was a Vast Ozone Hole Formed Over Eastern Siberia? Get Ready, Siberians!"]

[FBIS Translated Text] An ozone anomaly in the Northern Hemisphere, unprecedented in scale, and "covering" a gigantic area— from the shores of the Arctic Ocean to the Crimea—was recorded for the first time in 1994. The ozone layer has been diminishing by 10- 15 percent, in some individual months by 20-30 percent. But even this—exceptional—picture did not indicate that catastrophe of an even greater scale would strike soon.

Nevertheless, in February of this year the Central Aerological Observatory (TsAO) of Rosgidromet [Russian Federal Service for Hydrometeorology and Environmental Control] registered catastrophic ozone degradation (of 40 percent!) over regions of Eastern Siberia! By the middle of March the situation had become completely complicated. It signifies only this—yet another ozone hole has formed over the planet....

What does academic science have to say on this score? We posed this question to Doctor of Physico-Mathematical Sciences Nikolay Yelanskiy, president of the Fund for Assistance to Ozone Sphere Research and laboratory manager at the Russian Academy of Sciences Institute of Physics of the Atmosphere.

[Yelanskiy] By and large, atmospheric processes associated with ozone are clear to us. In any case, up until February-March 1995. It was possible to understand the mechanism of the appearance of the Antarctic hole, the Arctic, and other anomalies, but as for the Siberian hole, it was a surprise to all scientists because no obvious reasons for its appearance can be seen. We have run into a rather strange phenomenon....

[Kalenkin] How serious is this, when you consider that the ozone layer over Eastern Siberia has decreased by 20-40 percent, and in some places by 50 percent?

[Yelanskiy] Given this kind of ozone depletion, biologically active ultraviolet radiation is increasing by a factor of two. This is a very dangerous level for animals and vegetation, and for people as well. For example, ultraviolet radiation acting on a person causes snow blindness, cataracts, skin cancer, and premature aging of the skin; it disrupts the DNA-genetic code, and strikes the immune system, which results in the emergence of infectious, virulent, parasitic, and various other illnesses such as measles, chicken pox, malaria, herpes, tuberculosis, leprosy....

[Kalenkin] Is the Siberian hole a kind of one-off embarrassment, or will it appear again? Could an ozone hole appear, for example, over the European part of Russia?...

[Yelanskiy] Up to now we knew of only one hole—over the Antarctic. Now it appears another hole has formed over Eastern Siberia. Judging by everything, it will appear again at the same time of the year—February-March. However, it is still difficult to say how quickly this hole will increase and what territory it will encompass.

The [word illegible] in Eastern Siberia is a real shock to world atmospheric science. For example, an international conference was held in Greece not long ago and quite actively discussed the Siberian anomaly, but the scientists could not reach a unanimous opinion as to its cause.

[Kalenkin] Do you not have the feeling that the sky is falling down—that a disintegration of the atmosphere is going on?

[Yelanskiy] If a chronology of ozone shocks is composed, a rather gloomy picture emerges: In 1985 almost half of the ozone layer over the Antarctic disappeared, and a hole appeared that within two years spread over millions of square kilometers and reached beyond the borders of the sixth continent. Since 1989, not only has the ozone depletion continued, it has been intensifying sharply—it is evaporating faster by a factor of two-three than scientists predicted.... In 1992 the ozone layer decreased not only over the Antarctic, but also over other areas of the planet.... A gigantic anomaly was registered in 1994 that encompassed the territory of Western and Eastern Europe, North Asia, and North America.

When you investigate this dynamic, you admittedly feel somewhat awful. You get the impression that the atmospheric system has become worn out, that it has gotten out of balance, and you do not know when it will stabilize.... It is possible that the ozone layer in some measure reflects long cyclical processes about which we know very little. We do not have enough data to explain the present ozone pulsations. Perhaps they are of a natural origin, and possibly they will be understood with time. Unquestionably, human activity also influences the quality of the atmosphere. However, in what measure does it have an influence? That is the question.

[Kalenkin] It seems to be clearing up.... An improvement in the ozone layer in the Northern Hemisphere has been reported. Everything seems to be logical—measures have been undertaken, Western countries have frozen the production of dangerous substances and have switched to ozone-safe technologies from Dupont.... But how is this comforting scheme associated with the hole over Siberia?

[Yelanskiy] You know, a rather interesting situation has developed here: On the one hand, the Siberian anomaly is recognized by absolutely all scientists, but on the other hand, Western specialists are in no hurry to call it a hole. And not only because this phenomenon has not been studied sufficiently, but also because the general increase in ozone over the Northern Hemisphere in 1994 has begun to be perceived as the fruit of the Montreal Protocol, in which the large states agreed not to use substances that damage the ozone layer. But here suddenly is shocking news from Russia—there is a hole over East Siberia! Can you imagine the effect?! After all, this ruins the unjustifiably optimistic expectations of rapid changes associated with the transition of Western industries to new technologies. Meanwhile, it was well known that the Montreal Protocol would not produce an instantaneous result. Its operation: Measures will be felt no sooner than 10-20 years.

Thus, the Siberian hole has not only convinced us that the ozone layer is continuing to be depleted, and even very severely, but it has also exposed some political aspects of this problem that are impossible to ignore. And now, without going to extremes, it is important for us to interpret what has occurred and to clarify priorities after rejecting the political situation and other considerations of a questionable interpretation.

I will explain—you see, everything that is being put into practice today—new types of products, technologies, materials, substances, and programs—is under very strict control. This is extremely important policy. The time is drawing near when not one country will be able to sell or use anything if its products have even a side effect on the ozone-atmosphere-climate.

Take, for example, supersonic aviation—the transport of the future. It is necessary to decide at what altitudes and speeds an aircraft should fly and what kinds of engines to equip it with. Unquestionably, this is a large volume of scientific research and numerous experiments. But it cannot be avoided. And while the U.S. aerospace industry has allotted $400 million to study the effects of supersonic aircraft flights on the ozone layer, we, alas, are not even thinking about organizing this kind of work.

Yes, our chemical industry has made quite a few highly technological developments, and, yes, we have something with which to replace ozone-destructive freons, but in order to introduce them on the world market and sell them we must prove that they are better than what the West has. It seems that somebody should be working on this. Apparently this is the work of professionals, scientists. This means that there should be a national group of experts with the necessary authority who can issue the appropriate certificates and also help governmental structures employ competent and timely resolutions that will promote the development of our national industry. This is indispensable, otherwise all our highly technological developments are doomed. [end Yelanskiy]

Commentary by Academician [first name illegible] Avramenko, deputy general director of the Scientific Research Institute of Radio Instrument

Construction

Scientists of many countries are racking their brains over this phenomenon, albeit unsuccessfully for the time being. Nevertheless, humanity is seeking ways to protect against destructive ultraviolet radiation. There are two paths here: Technological—a reduction in the production of aerosols that discard a large amount of freon into the atmosphere that destroy the ozone. Russia, incidentally, is also taking this path, although with some delay. The other path is the development of methods to restore the ozone layer. Two variants are possible here: the development of aircraft capable of causing powerful electrical charges at a high altitude, or the employment of ground-based installations for the same purpose. Incidentally, developments by our institute already make it possible today to begin the production of such installations. Their capacity will make it possible to cause a charge at an altitude of 20-30 kilometers that covers hundreds of kilometers in length and create so-called plasmoids (electrical charges that move in space). We all know from practice that ozone can be smelled in the air after a storm, or during powerful electric discharges.

Of course, creating ozone artificially is an expensive matter. However, in order to protect life on earth, humanity will have to cough up the money. I will note that installations that have been created according to our designs can be used in two ways: as a reliable defense of air space from a missile attack and as a real capability for "mending" ozone holes. Moreover, they will make it possible to implement local weather management and to abandon ecologically harmful technologies of this process that are used now. We know very well how limited our government is in resources. But if we are to live not just for the day but look to the future, there is unquestionably a reason to begin financing the production of such installations right away. First, they can be sold on the world market as the most effective means of protecting living space, and secondly, by increasing the ozone layer over Russia we will thereby protect Western Europe from destructive rays. Thus, there is a possibility of international cooperation with respect to reimbursement of the costs. It is necessary to begin acting right now. Delays could be expensive, and not only for the Russians.

Tula Violence: Voter Intimidation Tactic

954F3550A Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian No 34, 14 Sep-20 Sep 95 pp 1, 8

[Article by Yaroslav Nikitin under the rubric "Lawlessness": "In Addition to Alpha and Vega There Is Now Gamma: Torture and Mass Beatings in Tula"]

[FBIS Translated Text] On 7 September in Tula, from 1130 to 2230, personnel of Tula UFSB [Federal Security Service administration] and UVD [Administration of Internal Affairs], including the special unit Gamma, carried out an operation on seizing extortionists.

Tatyana Kofanova, head of de jure legal services, tells the story:

In the center of Tula, which resembles the outskirts of a village, with front yards and fences, an operation was conducted at 65 Pionerskaya Street as a result of which 52 persons were detained—employees of the Mustang company, its clients and partners, as well as numerous accidental visitors to the next-door Relikt company specializing in manufacturing cemetery tombstones and monuments.

Here are the written explanations obtained in the course of interviews conducted on 9 and 11 September.

"During the seizure, which involved shooting, people in camouflage fatigues and masks broke into the office; we were told to lie down on the floor, as they shouted: 'You are going to think of 1937 as only the beginning!'

"One of them hit me in the spine with his foot. Then an order came: 'Move away from the wall or move without an order, and we will start shooting to kill.' Submachine gun bolts clicked."

"When we were all standing on our knees, heads down, one of the victims pleaded with the assault group, saying: 'What are you doing? I am a jurist, an attorney.' The reply was: 'So you are a jurist?! Here, this is for you.' He was hit repeatedly with the submachine gun butt, while he kept pleading: 'Guys, what are you doing?!' Finally, they yanked him up again, saying: 'Choose the room where we will shoot you!'—and dragged him away to one of the rooms."

(In addition to the beating, jurist Mikhail Per sustained a bullet wound in the shoulder.)

"....He brought me to the tombstones and said: 'Choose one!' I chose a tombstone with the name 'Belova' on it. They made me stand by this tombstone in an uncomfortable position for about an hour—my arms and feet went numb."

Here is what another victim writes: "I was placed with my back to the people lying on the floor in the 'lotus' position—21 persons, face down, on the second floor. Later I heard the cries of people being beaten: 'Oh, God! It hurts! Stop beating me!' I heard moaning. The position was uncomfortable: 'Cross your feet.' They beat people with gun butts on their numb feet and backs, you could hear the crunch."

"They pulled up our shirts and jackets and beat us with truncheons." "They started torturing Eduard Sultanovich, after saying: 'Now we will talk to you!' You could hear how he was led into the Mustang president's office, you could hear the blows and horrible cries of pain. He pleaded with them many times to stop beating him, after which the beating only got worse and it looked like it would never end."

"After the interrogation one of the people in civilian clothes told me that since I am a janitor, it is my job to rub off the blood from the walls and floors of two floors, which I did."

Two more persons—one with a huge hematoma and an open abdomen, and another with multiple broken bones and a heart attack—are in some hospital, but the UFSB carefully hid them from the lawyers.

All these actions were conducted as part of the criminal proceedings initiated against V.A. Tyulpin, E.S. Serbiyev, Kh.M. Magomadov, and Yu.A. Korotkov on the grounds of alleged extortion of money from citizen Mitroshin. All four were arrested.

As T. Kofanova writes in a complaint to the procurator, Tyulpin, Serbiyev, and Magomadov, who did not even attempt to resist, were subjected to torture.

Magomadov was beaten with a truncheon on his ailing legs. Tyulpin was kicked and punched in the face and body. Serbiyev was beaten and strangulated, a plastic bag was put over his head. He passed out from suffocation. In the end, a handgun barrel was stuck in his mouth as far as it would go, damaging the tissue in his throat.

* * *

In the opinion of De Jure attorneys, the rampage in several Tula companies, the seizure of Mustang's paperwork and the search for Computer-Technoex documents, the searches in companies that had contracts with Mustang, and the initiation of criminal proceedings against four Mustang employees on charges of extortion in the absence of any proof and in gross violation of the Russian Federation Criminal Process Code suggest the presence of persons and structures with a vested interest in this matter.

In their opinion, among those with a direct stake in it could be debtor enterprises in Tula, Ryazan, Kaluga, and other Russian regions, which for several years have not paid their debts to Russian miners, which until recently amounted to 120 billion rubles [R] in the Tula region.

Mustang and Computer-Technoex developed a "Mutual Settlement" program for repayment of the debt to the miners by way of providing assistance in marketing, selling off unmarketable inventories, and organizing a system of deals on the delivery of goods and services to enterprises and the population. Within four months, through utilization of these methods, debtor enterprises had already repaid the miners more than R30 billion.

In the complaint to Tula Oblast Procurator Kuzmenko, T. Kofanova, who is conducting her own pro bono investigation, demands that criminal proceedings be initiated on the beatings of citizens, and civil cases be initiated on restitution to the victims, and that the case on extortion be taken under procuratorial control and transferred from the Tsentralnyy Rayon UVD [Administration of Internal Affairs] to the Tula Oblast UVD.

From the Editors

It turns out that in our country people get tortured not only in faraway Mordvinia but also in close-by Tula—a short three-hour ride from Moscow.

It seems unlikely that all the oblast center's enforcement structures could be activated without the concurrence of the oblast governor.

And the personnel layout looks interesting. While in the recent past all these happenings could be blamed on the poor work of the general procuracy and its oblast branches, in the process bringing down our beloved acting general procurator, by now the president has practically thrown him to the wolves. Aleksey

Nikolayevich Ilyushenko has at most one or two weeks left on the job.

The situation with respect to the new Minister of Internal Affairs Anatoliy Kulikov and the FSB chief Mikhail Barsukov is interesting. If their subordinates torture people and engage in complete lawlessness as much as nine months before the presidential elections, what will happen when the date gets closer? There is not that much time left, and during this short period of time anything conceivably could happen—including their cancellation.

Neither should one forget that Lieutenant General Lebed was thinking of running for the State Duma from one of Tula's single- seat districts.

He is the only rival Boris Nikolayevich seriously fears.

In this situation, what could be better than putting some fear in the people so that they will not stick their necks out and will know who to vote for.

Another interesting detail: We have heard about Alpha and Beta; now there is Gamma—do they now have a special unit for each letter of the Greek alphabet, or is this an oblast invention?

There are a lot of questions, and closer to the elections there certainly will be answers, and perhaps we will even learn them.

The editors have documents that provide evidence of the incident described above.

*Decline of Russia's Northern Regions Lamented

964F0075A Moscow PRAVDA-5 in Russian
6-13 Oct 95 No 17, p 4

[Article by Aleksey Proskurin: "In the North People Are Not Only Cold Now, but Also Hungry"]

[FBIS Translated Text] **The Russian North... Limitless stern vistas stretching from Murmansk to Anadyr. Tundra and tayga, the rocky ranges of Oymyakon, and the swampy depressions of Taymyr... A wondrous country that has been crisscrossed by tremendous rivers. The mine of mineral resources that have already been found and that are still awaiting the researcher. This is the way, or approximately the way, that people used to write about the North quite recently.**

During the Soviet period, Siberia and the Far East were transformed into a unique industrial area. They are the source of a large amount of Russia's petroleum and coal, almost all the gas, aluminum, uranium, gold, timber, furs, and fish. A tremendous part of the export proceeds is provided by the labor performed by approximately 5-10 percent of the country's population.

Until the beginning of the "great destructions," these parts of the country were assimilated thoroughly and for a long period of time. For example, whereas in the northern regions of Canada in the 1970's and 1980's there were two cities with a population exceeding 1000 persons, the Soviet North had seven cities with a population of more than 100,000 persons (including Norilsk, Murmansk, and Yakutsk), 13 cities with a population of more than 50,000 residents, more than 100 cities with a population of approximately 10,000 persons, and a tremendous number of populated places, each of which had thousands of residents. The Soviet Union knew how to build on permafrost, and knew how to create and maintain the flicker of human heat in this stern part of the country.

But what is occurring under the current authorities is difficult to fit within the confines of normal perception. It would seem that the regime that had put its stake on converting the country into a raw-materials appendix ought to be concerned at least about its raw-materials storerooms. But a completely different picture can be observed today.

According to the most recent information that is at the disposal of the State Duma's Committee on Federation Matters and Regional Policy, the following items have been shipped into the regions of the north and the regions that are equated to them: meat, 57 percent of the 1994 level; canned meat, 40.5 percent; oil, 51 percent; sugar, 46 percent; canned fruits and vegetables, 36.8 percent; flour, 43.2 percent; hulled grains, 50.4 percent; and confectionery products, 50.4 percent. And this is in a situation when, according to plan, 75 percent of the needs were supposed to be shipped in by the end of July (when the navigation season is already ending in certain regions). The amount of coal shipped in was 92 percent, and to Kamchatka, 29 percent. That means that 8 percent of the population of the North and the Far East will freeze, and 50 percent will have to be satisfied with half of their food ration.

What is this policy leading to? This is what: during 1994 the population of Chukotka dropped by 10.5 percent; Magadan, by 8.1 percent; Kamchatka, by 3.8 percent; Sakhalin, by 2.6 percent; and Yakutia, by 2.4 percent. According to data provided by V. Matveyev, a consultant to the State Duma's Committee on Federation Affairs and Regional Policy, approximately 40 percent more of the population in certain of the northern regions would also like to leave. Something that has become a sign of the times is the sight of ships that are ready for departure in the ports of Chukotka, Magadan, and

Kamchatka, with containers waiting to be loaded with household effects.

It is time to sound the alarm, but... In the computations made by the interested organizations, the need of the northern regions for financial resources in 1996 is estimated at 35 trillion rubles. But the government, in the budget draft, stipulates the allocating of only approximately 16-21 trillion rubles, that is, one-half the need. It is also indicated that all the remaining needs will be covered by credit offered by commercial banks or by the own funds of the enterprises that are supporting the north.

The short-sighted suicidal policy, which contradicts Russia's attempt over a millennium to assimilate peacefully the wealth and expanses of Eurasia, and which runs counter to the interests of the indigenous nations of the North — the policy of withdrawing Russia from Siberia and the Far East — is continuing. The regime is preparing space for transnational corporations. That is a fact.

*Murmansk Oblast Production Decline Continues

964F0032A Murmansk POLYARNAYA PRAVDA in Russian 5 Sep 95 p 2

[Article by Murmansk Oblast State Statistics Committee: "Statistical Mirror: Seven Months Are Behind Us"]

[FBIS Translated Text] An analysis of the results of economic and social development for the period January through July shows that on the whole, the oblast continues to record a decline in production volumes and that enterprises continue to be characterized by low solvency levels.

Inflation and a shortage of financial resources are impeding efforts to invigorate investment. A process of social differentiation of the public continues. Unemployment is rising.

But the situation is not as uniformly negative as before. There are also positive aspects. July saw continued production gains in ferrous and nonferrous metallurgy, electric power production, and the chemical, logging, and wood-processing industries. Inflation rates were down, and foreign trade ties broadened.

Oblast enterprises produced 6.7 trillion rubles' worth of industrial output (work and services) in the first seven months. This is 4.8 percent below last year. July recorded output of 846 billion rubles' worth of goods and services, or 7.4 percent less than in July 1994.

Large and medium-sized enterprises produced 1 trillion rubles' worth of consumer goods in the first seven months of this year (27 percent below the level of one year ago). Production of goods In July fell by 15 percent in comparison with the preceding month.

In agriculture, 10,300 metric tons of livestock and poultry (liveweight) was sold for slaughter in the first seven months, and 17,900 metric tons of milk and 100.2 million eggs were produced. Meat and milk production at agricultural enterprises in the oblast fell by 26 percent and egg production was down by five percent in comparison with the same period last year.

In capital construction, 669 billion rubles from all financing sources was utilized.

From the beginning of the year, 46,100 square meters of total (usable) housing space was commissioned, or 31 percent less than a year ago.

All types of transportation carried approximately 23 million metric tons of freight, or 12 percent less than in January-July 1994. Freight shipments by motor transport fell by 42 percent, while shipments by all other types of transportation increased.

Passenger traffic by all types of transportation in the first seven months of the year fell by 20 percent in comparison with the same period last year.

Goods and services valued at $419 million U.S. were exported to the Baltic, CIS, and other foreign countries during the period, up by a factor of 1.5 from a year ago. Nonferrous metals accounted for 34 percent of total exports, fish for 27 percent, and apatite concentrate for 16 percent.

The number of unemployed able-bodied citizens looking for work and registered with employment services stood at 31,100 as of the end of July; of that number, 5,300 were registered in July.

The number of citizens having unemployed status increased by 17 percent from the start of the year and was 27,200 as of the end of July. Benefits were mandated for 21,900 unemployed people, or 80 percent of the total number.

Real disposable household income in the first seven months fell by 27 percent in comparison with the same period last year. The average per capita income of 32 percent of the oblast's population was below the subsistence minimum (367,500 rubles) in the first half of the year.

In the structure of household income use, the proportion of purchases of goods and services and of savings on deposit and in securities fell somewhat, while the proportion of mandatory payments and charges, purchases of foreign currency, and cash in hand rose.

Goods valued at 2.4 trillion rubles were sold to the oblast's population in the first seven months, which is 16.5 percent less in comparable prices than last year; markets accounted for about one-quarter of all trade.

*Norilsk Combine in Tax Spat With Kray

964E0042A Moscow IZVESTIYA in Russian 5 Oct 95 pp 1, 2

[Article by Aleksey Tarasov: "Why the Norilsk Combine 'Moved' to Dudinka"]

[FBIS Translated Text] Krasnoyarsk—Despite the president's intervention, the "cold war" between the leadership of Krasnoyarsk Kray and the president of the Norilsk Nickel Russian Joint-Stock Company is escalating, and the tactic of minor jabs is giving way to painful and irreparable blows.

Naturally, the officials are hitting not so much each other as the public, in whose interests, needless to say, the dispute is being carried on. For example, the Norilsk city budget could in effect lose virtually all its revenues in the very near future. And the municipal administration of the polar city, to which winter is now coming, could wind up shooting itself in the foot. Exactly what is going on?

At an unscheduled planning meeting of the management of the Norilsk Mining and Metallurgical Combine Joint-Stock Company on Monday, its general director, Anatoliy Filatov (who is also president of the Norilsk Nickel Russian Joint-Stock Company, announced a decision to reregister the combine. Its current legal address is Norilsk, Krasnoyarsk Kray. But the combine is "moving" to Dudinka, capital of the Taymyr (Dolgano-Nenets) autonomous entity. The board of directors of the Norilsk Mining and Metallurgical Combine has now instructed the board of the combine to prepare all the necessary documents to transfer the enterprise's legal address in the fourth quarter of this year. Consequently, the combine will pay taxes to Dudinka, and Norilsk, with its wide variety of uniquely northern problems, will become the headache of the kray authorities.

Background: The Norilsk Mining and Metallurgical Combine paid 811 billion rubles in taxes last year, 37.2 percent of which went to the federal treasury, with the rest divided between the kray and the city. Total tax payments in the first five months of this year approached 1 trillion rubles, 54 percent of which was paid to the federal budget and 46 percent divided between the kray and city budgets. When the combine leaves, the kray budget will lose 20 to 25 percent of its budget revenues.

It cannot be said that this step comes as a surprise for anyone. There was more than enough warning. Threatening to change the legal address, Filatov presented Krasnoyarsk with an ultimatum not very long ago, demanding the removal of Norilsk's new mayor, who had been appointed without the consent of Norilsk Nickel's director.

In order to grasp the meaning of this act, we must recall the events of the past month in Siberia's polar region. Wanting to redistribute revenues from the Norilsk combine, the Taymyr Duma adopted a decision to declare Norilsk an "okrug-subordinate city," thereby disavowing the agreements that the northern and southern regions of Krasnoyarsk Kray had reached with some difficulty. The polar city was to be removed from the jurisdiction of Krasnoyarsk and placed under the jurisdiction of the Taymyr autonomous entity.

This legally untenable decision, which generally would not merit attention, is what triggered the whole dispute. The kray leadership asked Yeltsin and Chernomyrdin to put a stop to the Taymyr authorities' unilateral and unlawful actions. And the president advised the okrug lawmakers to rescind their decision. Then the president's chief of staff invited kray and okrug leaders to a meeting, expressing bewilderment that the Taymyr Duma was in no hurry to respond to B. Yeltsin's appeal to it.

Finally, a session was convened in Dudinka. But it turned out that the Duma did not change its mind, but instead unanimously confirmed its decision to change the jurisdiction of Norilsk. Deputies, even deputies to a rayon Soviet, you understand, have never felt themselves obliged to obey the president. Citing statements made by the president's chief of staff, Krasnoyarsk pointed out that failure to abide by the agreements reached at the Moscow conference could prompt the federal authorities to apply the full force of the law against the Taymyr authorities and take administrative measures against them. The northerners viewed that as a threat and replied, don't try to intimidate us!

In recent days, however, there have been indications that the deputies will suspend their decision (true, with stipulations). A very simple solution has been found: A. Filatov said that the okrug Duma has proposed that the legal address of the Norilsk Mining and Metallurgical Combine be transferred to Dudinka. This would essentially resolve the controversial territorial question, which ultimately entails a redistribution of Norilsk's wealth.

In reality, Filatov's step is rather desperate one that at the very least threatens the director with a loss of popularity among Norilsk residents, as revenues for their native city would for some reason go to Dudinka. In addition, two federal laws would have to be repealed for this to happen—the law on the budgetary system and the law on the tax system. It would also be necessary to cancel the enterprise's registration in Norilsk.

In the view of the deputy general director of the Siberian Agreement interregional association, Vyacheslav Novikov, the question being decided is who will be the master of Taymyr.

"What is at stake is the privatization of the territory. It's unthinkable, like buying a couple of states in America. But it's all too real. After the law on enterprises and entrepreneurial activity was adopted, executives acquired unlimited power within the scope of their plants. In Norilsk, this means power throughout the industrial region. And when a controlling interest passes into private hands, the entire territory, 'with serfs, mansion and outbuildings,' will in effect belong to a single individual or group of people. For the polar city itself is essentially a structural subdivision of the combine and is utterly dependent on it. Any municipal government there is purely cosmetic. If rich Norilsk with its 300,000 inhabitants becomes part of the okrug of 50,000 people, Taymyr will find itself in the same situation."

But the objective conflict was inevitable, for the process of carving up Norilsk property is still incomplete. For Krasnoyarsk controls the combine's operations and its money. A break with Krasnoyarsk in favor of Dudinka would mean that the combine would become its own master.

It is clear that the owners of the Norilsk Mining and Metallurgical Combine cannot continue to foot the tremendous bill of maintaining Norilsk and funding the faraway agricultural areas of Krasnoyarsk Kray. Not only do the interests of the population of the Norilsk industrial region and those of the owners of the Norilsk Mining and Metallurgical Combine not coincide, they are often in direct conflict. This is why the private enterprise's director is trying to solve problems relating to the kray's territorial integrity, interfering in the internal affairs of the executive branch (in demanding the mayor's removal), and trying to alter the direction of financial flows.

The absence of a legislative base on which such conflicts between members of the Federation could be resolved holds quite a few more surprises in store throughout Russia.

*Volgograd Half-Year Economic Statistics

964F0033A Volgograd VOLGOGRADSKAYA PRAVDA in Russian 26 Jul 95 p 2

[Article by Oblast State Statistics Committee under the rubric "Official Department": "The Socioeconomic Situation of Volgograd Oblast During the First Half of 1995"]

[FBIS Translated Text] **During January-June of this year there were no significant changes for the better in the oblast's economy. The production recession continues and the nonpayment crisis is still critical.**

After the acceleration of the growth of prices at the beginning of the year, since March there has been a certain retardation of inflation. On the whole during the six months, prices of goods and services increased by 80 percent.

The subsistence minimum in June, according to data of the Oblast Committee on Labor and Employment of the Population, was 245,000 rubles [R], and in Volgograd—R266,000.

The Budget. The Financial Position of Enterprises. The Condition of Settlements

National Income. The gross social product created in branches' material production in the oblast during January-June of this year reached R13 trillion. Of the overall volume of national income, the amount intended for purposes of public consumption and expansion of production was R6 trillion. As compared to the base period (January-June 1993) its physical volume decreased by 34 percent.

Revenues of the consolidated oblast budget during the first half-year exceeded expenditures by R15 billion and amounted to R1.1 trillion.

Half of the revenue side of the budget was formed from profit tax and income tax on individuals.

More than R400 billion was used during the first half of this year for the development and maintenance of the social sphere. Almost the same amount of budget money was spent for state support of branches of the economy.

Arrears on payments to the consolidated oblast budget, according to data of the oblast tax inspectorate, exceeded R100 billion, which was 9 percent of the volume of tax revenues during January-June.

The financial position of enterprises and organizations of the oblast remains unstable. Factors that exert a negative impact on the situation continue to exist—irregularity of mutual settlements among enterprises, reduction of production volumes, and growth of prices.

During the first half of 1995 enterprises of the oblast received (according to the estimate) more than R2 billion in profit, which was four times more than during the same period of last year. But taking the growth of prices into account, the volume of profit in real terms increased by a factor of 1.4.

The proportion of enterprises operating at a loss remains high. Throughout the course of the year it fluctuated from 26 to 31 percent of the overall number of enterprises. In a number of branches (housing and municipal services, transportation), every second enterprise operated at a loss.

The solvency of enterprises remains low. As of 1 June 1995 monetary funds available to the enterprises covered only 12 percent of the delinquent indebtedness to suppliers (at the beginning of the year—10 percent).

The problem of tardy payment of wages by enterprises remains crucial. As of 1 July the indebtedness of enterprises of industry, construction, agriculture, and transportation for issuing funds for consumption amounted to R120 billion, almost half of which was at industrial enterprises. Every third ruble of indebtedness on wages was more than two months late in being paid to workers.

The situation in agriculture remains difficult. While in industry, construction, and transportation the number of enterprises that fail to meet the wage payment deadlines does not exceed half of the overall number in the branch, in agriculture almost two-thirds are in debt to their workers.

Price and Rate Indexes

During the first half-year the cost of consumer goods and services went up on average by a factor of 1.8, and foodstuffs increased in cost during this period by a factor of 1.9

Since the beginning of the year prices have increased most for meat products, sausage items, bread, vegetables, and also nonalcoholic beverages and beer—by a factor of 2-2.3; milk, sugar, cereals and legumes, fish products and cheeses—by a factor of 1.8-1.9.

Prices of nonfoodstuffs have increased by a factor of 1.5 since the beginning of the year.

As usual the growth of prices and rates for paid services outstripped the rates of increase of prices of goods. Since the beginning of the year services to the population increased in cost by a factor of 2.5. Rates for passenger transportation, housing-municipal, and tourist-excursion services increased by a factor of 2.7-3 during this period.

Standard of Living and Incomes of the Population

During the six months the nominal monetary incomes per one resident of the oblast amounted to R252,000 per month. As compared to the corresponding period of last year they increased by a factor of 2.5. But real monetary incomes decreased by 15 percent during this period.

During the first half year the population of the oblast spent 65 percent of its monetary income on purchasing goods and paying for services, 7 percent to pay for taxes and various fees, and 12 percent went to savings accounts, securities, and foreign exchange. Money in the hands of the population increased by R0.7 trillion during this time, which was 16 percent of the current incomes.

The residual deposits made by the population in institutions of the Savings Bank as of 1 July 1995 amounted to R594 billion, and in commercial banks—R133 billion.

The Consumer Goods Market

During the first half year R2.3 trillion worth of goods was sold to the population of the oblast through all sales channels. The low level of solvency of the population and the growth of prices led to a situation where compared to the level of January-June 1994 the sale of goods in physical volume decreased by 19 percent.

The supply of retail trade with the basic food products and nonfoodstuffs was stable throughout the entire period.

As compared to the first half of 1994, this year there was an increase in the sales of the least expensive food products: flour—by a factor of 1.4, cereals—by 11 percent, eggs—by 9 percent, and tea—by 2 percent.

At the same time there was a considerable reduction of purchases of costly foodstuffs: mayonnaise products, sugar, cheese, and margarine—by 10-20 percent; sausage and smoked items, meat and poultry, herring, and confectionery items—by 25-30 percent; vegetable oil—by 36 percent; and canned fish, fresh fish, and butter—by 42-44 percent.

The redistribution of consumer expenditures in the direction of expenditures on food and the continuing increase in the cost of nonfoodstuffs have led to a sharp reduction of their sales.

Exports

During January-June 1995 exports of goods from enterprises, organizations, and firms of the oblast under direct contracts (without intermediaries) with firms of countries of the far and near abroad, according to preliminary figures, amounted to $158 million (R746 billion). Goods amounting to $129 million (R613 billion) were exported to countries of the far abroad, and $29 million (R133 billion) to countries of the near abroad.

Enterprises and organizations of the oblast established business contacts with 62 countries of the world (51 countries of the far abroad and 11 countries of the near abroad).

The main area of exports from the oblast was raw material. Raw material makes up 91 percent of the overall volume of exports and only 9 percent comes from machines and equipment.

The Social Sphere

The Population. The number of the population residing in the oblast, according to estimates, as of 1 July was 2.7 million. The increase in the population occurred only because of migration, which during January-June amounted to 13,700 people.

During the first half-year, according to preliminary data, 12,800 children were born in the oblast and 20,500 people died. Natural attrition amounted to 7,700 people.

According to preliminary data, there were 7,800 marriages, which is 3 percent less than during January-June of last year. The number of divorces increased by 1.5 percent—6,900 of them were registered.

The Labor Market. During the first half of this year more than 31,000 citizens applied to the employment service for jobs. More than half of them were placed in jobs.

As of the beginning of July 13,700 people were officially registered as unemployed, while during the same period of last year this number was 8,300.

About 70 percent of the unemployed were women. Youth between the ages of 16-29 made up 30 percent.

As of the end of this June the demand for labor force as declared by the enterprises amounted to 9,500 jobs. There were 1.4 individuals applying for each job, and during the same period of last year—1.2 individuals.

In the next quarter the labor market could be augmented with another 5,000 people, among whom 3,000 (63 percent) will be women.

Crime. During the six months of this year internal affairs organs of the republic reported more than 18,000 crimes, which is 570 crimes (3 percent) less than during the corresponding period of 1994. The reduction of the number of crimes is linked to the reduction by one-fourth of the number of reported muggings and a 22-percent reduction of robberies.

The number of thefts remained at last year's level—9,200. The number of violent crimes against individuals is also continuing to rise.

Ecology. During January-June more than 103,000 tonnes of harmful substances were discharged into the atmosphere, which is 13,000 tonnes (11 percent) less than during the corresponding period of last year. In spite of the reduction of discharges, which was related mainly to the decline in production, the level of pollutants in the atmosphere frequently exceeded the maximum permissible concentrations.

Discharges of pollutants into the atmosphere were increased by the public joint-stock company Volzhskiy Abrazivnyy—by 4,200 tonnes (66 percent), the Zhirnovskoye Petroleum and Gas Extraction Administration—by 303 tonnes (85 percent), and the Korobkovskoye Petroleum and Gas Extraction Administration—by 500 tonnes (27 percent).

During the past period there were two reported cases of emergency discharges of harmful substances, the sum of damage from which is estimated at R206.5 million.

Privatization

During the course of the transformation of state property more than 2,200 enterprises were moved into the nonstate sector of the economy. During the first half year 93 facilities were privatized (not including the purchase of real estate by privatized enterprises and the sale of automotive transportation). More than 60 percent of the facilities that were privatized were previously municipal property.

About R27 billion was received from the privatization of facilities, half of which came from the sale of real estate. Almost 40 percent of the revenues went into the local budgets.

Since the beginning of privatization (1989) about 258,000 apartments have become privately owned (45 percent of all the apartments subject to privatization).

Industry

During the first half-year the volume of production of industrial products (work, services) in existing prices, taking into account the evaluation of the volume of products from small and joint enterprises and industrial productions at nonindustrial enterprises and organizations, decreased by 9 percent. At the same time, in June the volume increased by 3 percent as compared to the level of this month last year.

The decline in the output of products in large and medium-sized enterprises as compared to an analogous period of 1994 amounted to 8 percent.

During the first half of the year each month one-third of the enterprises were standing idle. During the past period of the year 1,200 workers were discharged because of production shut-downs and transition to different work schedules.

Agriculture

The overall area planted in agricultural crops for the 1995 harvest was 3.8 million hectares (in 1994—3.9 million hectares).

This year harvesting is being done on 9,400 of the 12,300 registered peasant (farmer-run) farms. Of the million hectares of land allotted to the farmers, 391,000 have been planted, which is 10 percent of all the planted area in the oblast.

While there was a certain reduction in the area planted in grain crops in 1995, the areas planted in sunflowers in the oblast increased by 108,000 hectares or 37 percent, and mustard—by 80,000 hectares or 77 percent.

The areas planted in potatoes on farms of all categories continue to decrease, but the areas planted in vegetables this year as compared to last year increased by 1,300 hectares, and melon crops—by 6,900 hectares. The tendency toward reduction of the areas planted in feed crops continues.

Because of the drought the gross yield of grain in the oblast this year, according to estimates, will be about 2 million tonnes (in 1994—2.7 million tonnes).

The number of head of cattle, sheep, and goats in the oblast decreased as compared to 1994, but there were more hogs because of the private subsidiary farms of the population and the farmers.

Procurements of cattle and poultry and milk from all commodity producers for local supply and delivery to the federal fund this year decreased by 22 percent, and eggs—by 9 percent.

The volumes of sales of cattle and milk by agricultural enterprises on the market and through their own stores increased.

Capital Construction

Enterprises and organizations with various forms of ownership (taking into account small and joint enterprises) assimilated from all sources of financing more than R1 trillion in investments, which in comparable prices is 6 percent more than during the first half of 1994.

Fixed capital valued at R443 billion was commissioned and 69 percent of it was fixed capital for production purposes.

During the first half-year the population received 2,600 new apartments with an overall area of more than 182,000 square meters. This is 2,300 square meters more than last year. Enterprises of the nonstate sector built 58 percent of all the housing. One-fourth of the housing introduced in the oblast was constructed by individual builders—46,000 square meters of dwelling space, which is 13 percent more than last year. During the half year the following were introduced in the oblast: a general educational school to accommodate 450 and two preschool institutions to accommodate 405.

Transportation and Communications

The volume of freight shipped by transportation enterprises decreased compared to the analogous period of last year by 23 percent, including by river transport—78 percent, automotive—28 percent, air—8 percent, and rail—5 percent.

Mainly because of the insolvency of the enterprises, a considerable quantity of products that are produced are not being shipped.

At the same time the utilization of railroad rolling stock has improved.

Passenger transportation by all types of general purpose transportation as compared to the corresponding period of 1994 decreased by 13 percent. Higher fares for passenger transportation caused a decline of passenger turnover by 17 percent. The reduction occurred on all types of general purpose transportation except for river transportation, where an 8 percent increase was noted. The quality of passenger service continues to be unsatisfactory.

There was a considerable reduction of the volume of communications services: the delivery of newspapers and magazines—by 26 percent, parcels—by 22 percent, the sending of letters and printed matter—17 percent, monetary transfers—11 percent, and telegrams—5 percent.

Communist Success in Volgograd Examined

964F0095A Moscow ARGUMENTY I FAKTY in Russian Oct 95 No 41, p 4

[Article by Yuriy Zubtsov and Igor Morzharetto: "The Communists as Russia's Democratic Choice"]

[FBIS Translated Text] In the history of our country the city of Volgograd has twice performed a very remarkable role. First, the fighting around it was a turning point of the civil war, then the Battle of Stalingrad changed the course of the Great Patriotic War. Last week the eyes of the whole country were once again turned to the Volga stronghold. Routine elections to the provincial city Duma in Volgograd became an event of unprecedented proportions.

Fall of the Volga Stronghold

So why did the communists win? First, the weather was to blame. The elections were held on a Sunday, it was warm, dry, and sunny, and the majority of Volgograders preferred their garden plots to the polling stations. As a result only 38 percent of constituents, mainly from the ranks of landless retirees, performed their civic duty.

The elections were ignored not only by the electorate but by the majority of political parties also. Neither Russia Is Our Home nor the democrats nor the "new Russians" coupled with various reformers and economists put up their candidates. It is said that the regional offices of the main parties, movements, and blocs have no money in Volgograd.

But the "poor" military found money. We can only guess at the reasons for their unprecedented activity, but it remains a fact that not only was a candidate in shoulder boards—Colonel V. Skopenko, deputy commander for political affairs of the local garrison— nominated as a mayoral candidate but at least one officer contended for each seat in the Duma. Despite the handsome signs (printed at an unknown printing house without an indication of the particulars as to place and date of printing), the television appearances running into many hours of Skopenko, and even the presence at the public meetings of a military orchestra, the military failed. Who could have believed the promises of a return of the money to defrauded investors within a month (!) and of conscripts who would serve only in the oblast and also of everyone who so desired being given apartments and of pensions being raised? Here the military outdid even the communists....

How This Was Done

On the eve of the elections to the State Duma it is worth citing a number of examples of campaigning which we will, evidently, be encountering on a larger scale. Elegant envelopes with a color calendar and poster of Viktor Skopenko were dropped into just about every mailbox. They were stuffed in at night by teenagers, who received 100 rubles for each envelope dropped. Without exerting themselves particularly, they would earn up to R500,000 in a night. Skopenko's campaign, according to rough estimates, cost R1.5 billion altogether. But he did some things without money also. Several days before the elections an unregistered army transmitter came on the air on the city's ultrashort-wave band. And, drowning out the Europe Plus broadcast, campaigned absolutely illegally for Skopenko for two days. The majority of the city's newspapers roundly and unconvincingly berated the communists. "I cry to my fellow countrymen: 'Do not vote on 1 October for the representatives of the KPRF!" [Communist Party of the Russian Federation; Kommunisticheskaya partiya Russkoy Federatsii; CPRF] Listen to me, people!" (A. Vasilyev, the newspaper INTER, with the city's largest circulation).

Understandably, such lamentation worked more for the communists. Mayoral candidate Terentyev representing the national-patriots had it tougher, for that matter. It was written about him that he "is rumored to be a pansy." It was immediately delicately observed that this was not that important—"even sexual minorities are entitled to a private life." A laudatory breadth of view for the heartland. But Terentyev himself was sound also, calling for Volgograd to be made a "purely Russian city." He, incidentally, publishes in the city the newspaper KOLOKOL, which carries the television programs under the headline "Russian, Switch Off the Television!" Yuriy Chekhov, former mayor of Volgograd and still such based on the results of the voting, found his own telling trump card in the campaign. A week before the elections a new brand of beer—Chekhovskoye, whose label features the hero-city's coat of arms—appeared on sale.

Our Goal—Communism?!

It is improbable, but a fact: Although they are saying today that "the outcome of the elections was predetermined," the communists themselves were no less stunned by this turn of events than others. I'll say, they conducted no special, striking election campaign— just run-of-the-mill meetings with their constituents in the presence of a dozen or so old women and faded leaflets, and no undoubted political leaders or tribunes are observed in their ranks. The present deputies are ordinary types, generally speaking: shop chiefs and plant directors, higher educational institution lecturers and teachers, trade union officials, and even one lathe hand. True, some of them combine professional with party activity. Since there is considerable spare time: The majority of the city's enterprises are operating only one day out of every three. But even the oblast committee of the CPRF is barely reminiscent today of a headquarters of revolutionary struggle: There are few people here usually, the printers are not spewing out machine gun rounds, and the telephones ring only infrequently.

"We are not yet about to talk about the building of communism or capitalism," Deputy Yuriy Galochkin, secretary of the oblast committee of the CPRF, believes. "The Duma is the legislative body of local government and will not be tackling global problems. In collaboration with the local administration, we want to improve if only somewhat the social and economic situation of the city's inhabitants."

The deputies of the new Duma are well-bred and moderate people, and for this reason, according to them, their plans contain neither the expropriation of the expropriators nor the nationalization of the private stores. So that, aside from an increase in the social items of the local budget, a detailed inspection of the soundness of privatization in the city is among the most radical actions in the plans of the local Duma. The communists are evidently hoping subsequently to share out everything honestly and evenly, but this is hardly likely to happen. Everything has already been distributed....

October Theses

So democratic elections in Volgograd were finally won by the communists. The leaders of the Communist Party are making no secret of the fact that they consider them a "general rehearsal" for the elections to the State Duma in December.

We shall not draw premature and far-reaching conclusions, but we would like to draw two historical parallels.

Parallel one. In October 1917 the Bolsheviks seized power in the country not because they were strong or because they were followed by a large part of the population of Russia. It was simply that the other parties and political groups were wrapped up in their own business—they were calling one another names, and the clever communists picked up at this time the power that was going begging.

Parallel two. The present generation of Bolsheviks has, of course, rejected the majority of past radical slogans and simply wants to give more help to the poorest. This is praiseworthy, of course, but it is impossible, unfortunately, to be kind to all. The municipal budget is not made of rubber, and an abrupt increase in social payments would inevitably bring about a reduction in other programs. Road building or support for small business, say. We are still observing such a situation in Ukraine, incidentally—it is the umpteenth year now that attempts have been made there to ease the burden of the reforms for all, and as a result, general indigence....

*Khanti-Mansi AO, Bank Issue Municipal Bonds

964E0047A Moscow FINANSOVYYE IZVESTIYA in Russian 29 Sep 95 p 3

[Article by journalist Lev Ambinder: "Oil Securities Promise To Be Most Profitable"]

[FBIS Translated Text] The administration of Khanty-Mansi Autonomous Okrug and the Tyumen Credit Bank are implementing an agreement on cooperation in issuing okrug bonds. The first issue, in the amount of 50 billion rubles, has stirred considerable interest among investors. More than 30 billion rubles has been placed in a short period. If the issue is successfully placed and serviced, said Sergey Atroshenko, chairman of the bank's board, plans call for increasing the issue to 600 billion rubles.

Since the government made municipal bonds equal to short-term government bonds and exempted income from them from the 15-percent profits tax, the Khanty-Mansi bonds promise to become some of the most profitable on the Russian market, experts say. Under the terms of the issue, bondholders may use them as legal tender in upcoming large-scale tenders for the development of oilfields in the okrug.

It is no accident that the administration of Khanty-Mansi Okrug entrusted Tyumen Credit Bank with placing the bonds. Many banks capable of surviving in the rarified financial environment are sprouting up in the provinces. The rapid growth in their authorized capital, the new quality of their services, geared toward Western standards, and their aggressive and flexible behavior on the market are typical features of this wave.

Eighteen months ago, Tyumen Credit Bank was on the brink of collapse: With an authorized capital of 500 million rubles, its debts exceeded 650 million. Purchased by new owners in April 1994, the bank paid off the debts and its authorized capital rose by a factor of 200. In terms of liquidity, it ranked sixth among medium-sized Russian banks last year. The bank's largest shareholders are the West Siberian Gas Industry Joint-Stock Company, the Siberian Insurance Joint-Stock Company, the Tyumen Petroleum Joint-Stock Company, and the Siberian Petroleum Pipeline Joint-Stock Company. Its authorized capital now stands at 33 billion rubles and $17 million. Its foreign exchange balance was 650 billion rubles as of 1 September 1995. The Tyumen Credit Bank has three branches in Tyumen, as well as branches in Nizhnevartovsk and Nefteyugansk in Tyumen Oblast, a branch in Moscow, an office in Lisbon, and a subsidiary in Kiev. The bank is providing loans for the construction of a petroleum refinery, the development of cellular communications systems, a four-star hotel, and other facilities in Tyumen Oblast. In late April a shareholders' meeting decided to convert the bank into an open-type joint-stock company and to increase its authorized capital to 70 billion rubles and $30 million.

Tyumen Credit, a third-wave latecomer, is unable to acquire new major investors and clients, it can only lure them away from others. However, Atroshenko asserted, banks do not lure customers; rather, customers choose their banks. "We haven't lured anyone whomsoever. We inherited 180 settlement accounts from the bank's previous management. Another 86 were opened last year, primarily as a result of shareholders shifting their assets to the bank."

The bank's current prosperity remains based on exchange operations: 80 percent of the foreign exchange on the bank's balance sheet was earned from buying and selling dollars. Sales of credits on the interbank market accounted for significantly less revenue.

In April of last year the bank didn't have a single currency exchange office in the city. The market was divided among 10 local banks. In May Tyumen Credit opened 18 exchange offices simultaneously, placing them in stores throughout the city, including in "bedroom" communities previously ignored by the market. Some good news spread by word of mouth quite quickly: The bank was selling dollars at 50 to 20 points below its competitors, and its purchase rate was the same as its selling rate. Tyumen Credit quickly pushed its competitors out the foreign exchange market and increased daily sales to $1 million, making the volume profitable despite the low exchange price. Today the bank controls three-quarters of the market, and this is one reason for its high liquidity.

Now, Atroshenko said, the time has come to increase the rates and to expand the bank's projects. And the Khanty-Mansi Okrug bond is the first major step in this direction.

High liquidity is Atroshenko's religion. However, high liquidity means low risk and meager profits. The bank's rapid growth seemingly disproves this. In actual fact, a different logic is at work here. Reliable borrowers will not borrow from a bank at high interest rates. But attracting just such borrowers is a key part of the bank's strategy. "Such a borrower," said Sergey Titov, general director of the Tyumen Petroleum Joint-Stock Company, "gives the bank inexpensive liabilities in response to preferred loans 20 to 30 percent below market rates. And that's what we have at Tyumen Credit." The bank's margin is small, but the industrial giant's money is cheap. Meanwhile, private investors' money is more expensive, albeit predictable.

For this reason, the bank is developing projects involving the city's social-service sphere, which politicians have carefully ignored from election to election. In terms of his behavior, Atroshenko is a "grass-roots" banker: His vision is one of fellow Tyumen residents who shop each day at a supermarket built by the bank, keep their money in the new branch on Permyakov Street and, on Sundays, dine with their families in the fast food restaurant that shares the bank's building.

Atroshenko gives a bewildered shrug when people say it is unprofitable to work with private funds because there are no serious investment projects. He believes that wages are one of the most important investment resources. For petroleum industry workers, the share of wages per ruble of commodity output has risen disproportionately because the industry is eating up its fixed assets. In addition, the North has its own special characteristics: Every third ruble is saved, something that was true even of the past. This feature of life in Tyumen has not been lost; it's just that people don't know where best to put their money.

In Tyumen Credit's appealing plan for working with private funds, perhaps the bank's most ambitious investment project is housing construction in Tyumen. The bank recently signed a contract with the Nizhnevartovsk Trust and a construction firm of the Moscow Main Construction Administration, under which builders have begun constructing housing, financed by the bank, in Tyumen. Tyumen Credit intends to offer loans for the purchase of apartments: A Tyumen resident will pay 15 percent down and then receive a seven-year loan and the keys to his apartment within six months. Dmitriy Shevchenko, head of the loan department, said that the buyer himself decides when the loan will become due. The interest rate, 15 to 25 percent, is pegged to that decision, as well as to the size and number of floors in the apartment. The bank calculates that on average, the buyer will pay 128 percent of the initial cost of the apartment if he takes a three-year loan at 20 percent annual interest. The bank's research shows that there will be no shortage of willing borrowers. Twenty percent of all Tyumen families do not have separate apartments. Real estate firms in the city say that monthly demand significantly exceeds sales. The loans will be drawn up in dollar equivalent. Shevchenko said that the project can become efficient only given assembly-line construction, which is what the plan calls for. Meanwhile, the market value of "mortgaged" apartments will be far higher that the amount paid by the bank's customers.

"Tyumen-style mortgages" differ from ordinary bank loans in terms of their record repayment terms—up to seven years, instead of the standard two. The loans become affordable to people of average means, and hence the loan volume rises sharply, making assembly-line construction justified.

Tyumen Credit's reorganization is a phased project. Until now, Atroshenko said, the bank has deliberately had a moratorium on accepting new customers, rightly assuming that taking them in now, at a time when Tyumen Credit's level of service has yet to meet international standards, would be tantamount to losing them forever. At the same time, Atroshenko points out that the time has come to convert Tyumen Credit from a bank that earns a profit on the foreign exchange and credit markets to a full-service bank. This is borne out by the issue of 50,000 smart-cards ordered by the bank, which gives an indication of the scale of its plans. This attests to Tyumen Credit's transparent intention to solicit the wages and savings of Tyumen residents of average means (and not just residents of the oblast center, but also tens of thousands of highly paid oil-industry workers in Nizhnevartovsk and Surgut), turning their "good, predictable" money into an investment resource. This would amount to tens of millions of dollars.

"No matter how you look at it," said Sergey Atroshenko, "you can't develop even a small oilfield with less than $60 million." He believes that an investment boom in Russia is inevitable, a boom that will begin in the Tyumen region. The bank's experts believe that at the first sign of resumed economic growth, billions of dollars in new Russian capital will be brought back from the West and invested in Tyumen as well. Anticipating events, the Tyumen Credit executive has asked the British firm Ernst & Young to prepare an international audit: The bank wants to become transparent for the Western financial community.

"We are in the right place at the right time," Atroshenko said.

As for location, the bank paid 1 billion rubles for a parcel one street over from the municipal administration building. In sixteen months, it will be the site of what will apparently be the most impressive bank building in Russia (it is being designed by the Austrian architect Tadeush Spikhaly and will have 11 floors, including two underground, 11,000 square meters of floorspace, and a helipad on the roof). A $20 million contract has been offered for tender, and one bidder is the Turkish firm Gama, which has built and equipped all of Tyumen Credit's offices in Tyumen. Sergey Atroshenko is now being offered 16 billion rubles for that parcel, occupied by dilapidated buildings, in old Tyumen. But he dismisses the offer, saying that bargaining is inappropriate: "There is only one place for a regional bank in Tyumen, and it is already taken."

*Methods of Financing Regional Development Detailed

*All-Russian Regional Development Bank Created

954E1474A Moscow ROSSIYSKAYA GAZETA in Russian 22 Sep 95 p 4

[Article by Aleksandr Velichenkov, under "RF Government—To the Regions:" rubric: "New Bank Revolution?"]

[FBIS Translated Text] **The recent presidential edict creating the Russian Financial-Banking Union and the establishment by the RF government of the All-Russian Regional Development Bank open new opportunities for long-term investment.**

For a long time, it has been no secret that the start of economic reforms interrupted the investment cycle in the national economy, "narrowing" it to 3-6 monthly operations. There have been attempts to restore the effectiveness of even mid-term projects, but this has yet to become a mass phenomenon.

The process of forming a new economic environment built upon the realities of market relations which has been going on for the last three years is gradually beginning to acquire civilized outlines. A powerful banking infrastructure has appeared, privatization has provided an opportunity for hundreds of thousands of enterprises to become aware of their own market significance. But certain questions—interactions between the center and the regions; long-term investment policy; taxation—remain open even now.

The president's edict on the creation of the Russian Financial-Banking Union was clearly aimed at overcoming the investment crisis. The Financial-Banking Union, managing the state share of property in banks and financial structures, will create comfortable conditions for long-term investments by commercial structures. The creation of the Russian Regional Development Bank, the chief owners of which will be the country's regions, took place in order to resolve a slightly different problem. The practice of constant friction between the federal center and the regions on a broad circle of interrelated questions has already been established: taxes, subsidies, the budget, federal programs and so on. Battles for the state budget in the Federation Council are becoming a curious sight. Other regions, attempting to attain state-subsidized status, have even formulated a slogan: "Why blame us for not having any oil?"

But often there is a constructive element contained in these conflicts. Why, for example, should federal taxes be deposited into the state for clearly subsidized regions, and then wait for months until they arrive back? Transfer operations, as they are sometimes called due to mutual obligations between regions and the budget, are only just gathering speed. Regional financing according to various statutes—the village, the army, the social sphere, is multi-channeled. The winged phrase of our local wordmongers—"rare credit will lead to the center of Russia"—acquires a literal sense in "Center-regions" relations. The Kemerovo miners with their many months of inactivity and realistically allocated money are the most distinct example.

The bank that is being created should also take upon itself the function of financial neuron, conducting impulses into both sides, with the reaction speed of a nerve, not with that of our pensive banking system.

The abundance of functions placed upon it by the government decree signal deliverance from the multitude of channels used in relations between the Center and the regions, and a real attempt at bilateral control of financial flows. With this kind of approach, discussions between the MChS [Ministry of Emergency Situations] and the governor (on funds for eliminating the consequences of the earthquake in Neftegorsk) couched in terms like: —Where is the money? —On the way! —We haven't gotten it! —Look for it!—should become an anachronism.

Incidentally, after all, the banking system in the U.S.A., which in principle does not have a central bank, grew up from below, from large regional banks controlling several states at a time. Shouldn't the main direction for the VBRR be the creation of 6-8 large divisions—Center, Volga, Urals, Siberia, Far East and so on?

*Center Provides Budget Funds for Regional Projects

954E1474B Moscow ROSSIYSKAYA GAZETA in Russian 22 Sep 95 p 4

["Article by Dmitriy Nyro, under "RF Government—to the Regions:" rubric: "'Favorites' Among 'Cinderellas'"]

[FBIS Translated Text] Every day, various documents originating in the Russian Federation government arrive at the editorial offices of ROSSIYSKAYA GAZETA.

They are all published on the pages of our paper. But recently, we decided to conduct a kind of analysis of the resolutions we received, with the goal of discovering the "specific weight" of the resolutions we receive dealing with the problems of specific regions. The reason was the prevailing opinion that the Russian government was more interested in general questions than in specific sore points. People began to count—and it turned out that nearly every day, on the very highest level, questions are examined concerning not just regions—but individual enterprises!

Before me, for example, is the recent government order on questions concerning Kamchatka Oblast's preparation for possible earthquakes. In it are not just general words, but specific monies, allocated towards improving the local territorial hydro-meteorological and environmental monitoring administration—15.6 billion rubles—and for the creation of Kamchatka's automated sector of the federal seismological observation system. According to an Institute of Earth Physics specialist, this fact alone is enough to say that the highest level has taken the safety of the Kamchatka region and earthquake warnings seriously. Who stands to benefit from this decision more than local residents. After all, it wasn't as if they had to wait years for it, or decades.

This summer, Orenburg, Volgograd, Saratov oblasts and Kalmykiya were "outstanding" for their heat waves and draughts. The situation that developed in agriculture in these regions came close to critical. Many crops simply burned, there was no place to pasture the cattle. The situation would have been impossible, had not immediate measures been taken that allowed them to at least soften the loss. It worked out that they waited all summer for rain, and then for help. Fortunately, state support arrived on time. Here is a recent government order providing that funds be allocated in the full amount as stipulated for the financing of agriculture in those oblasts. Besides this, 195.1 billion rubles were found to finance labor done towards eliminating the effects of the draughts, another 37 billion—towards purchasing seeds for winter crops.

We will add that these regions also received a deferment for payments on agricultural equipment offered over the last two years on a lease basis, additional funds were allocated for the purchase of breeding cattle. The repayment deadline for goods credit received this year has been deferred until January 1, 1997.

Or let's take a glance at the situation that has developed at the Orskiy tractor trailer plant. This enterprise fell into a difficult situation, and went bankrupt. It would seem that, taking into consideration the fact that the plant had become a joint stock company, it would have been possible to propose that the collective think for itself... However, a special government decree was adopted concerning the plant. True, a not entirely pleasant one, or, shall we say, untraditional. At the expense of the 1995 federal budgetary funds providing for sanation costs and refitting manufacturers that are unprofitable or lack prospects, the "Orskiy Tractor Trailer Plant" joint stock company is allocated nine billion rubles towards realizing the plan for managing that enterprise's property externally. Consequently, the plant is not cast upon the tyranny of fate. The measures taken may be harsh, but they are adequate to the problem. And they find money, despite the well-known problems with the budget.

There is one more outstanding feature in the government's work with the regions: lately, several decisions have been adopted concerning the transfer of enterprises in state possession into regional possession. Here, the initiative in such cases originates, as a rule, with oblast administrations. This is what occurred, let's say, with the Tsyapiskaya [indistinct] system, which was transferred into the jurisdiction of the Roskomvod [Russian Committee on Water] from the RF Ministry of Transport, based on a proposal from the Tambov Oblast administration. It turned out to be more efficient. An analogous action was taken by Samara Oblast, where the state enterprise "Samaraselkhzovodosnabzheniye" [Samara Agricultural Water Equipment] and the Samara Oblast Monitoring and Analytical Laboratory were transferred from federal possession into oblast jurisdiction. A corresponding decree was issued for Arkhangel, Voronezh oblasts and Primorskiy Kray.

In general, the Russian government's interference in resolving regional problems should be perceived as an extreme measure. This instrument is suitable only in situations where attempts to resolve economic and social problems on the regional level find themselves at a dead end. The time has passed when the principle, "The master is coming, the master will reason with everyone," stood at the head of the triangle.

The fact that the current mechanism for regional self-government is not yet functioning at a level where it can make such-and-such decisions independently without interference from the center is another matter. Yes, and funding in local budgets is not always sufficient. Then, the problem arises—how can we help one without harming the interests of others? How can we function so that the regions are not divided into "favorites" and "cinderellas"?

To do this, we need an intelligent state policy for the regions. A policy with reciprocal connections. After all, we know that Russia's rebirth begins with the hinterlands. The fate of general reforms depends on successes in the provinces, in the regions. Socio-economic development will begin in the localities—this process cannot fail to influence the development of the state.

*Luzhkov, Bankers Discuss Cooperation, Taxes

964E0046A Moscow FINANSOVYYE IZVESTIYA in Russian 3 Oct 95 p 3

[Article by Ivan Zhagel: "The Mayor of Moscow Has Promised the Capital's Bankers a Lighter Tax Burden"]

[FBIS Translated Text] Although the Government of Moscow has managed to adhere to a deficit-free budget for four years in a row and also to augment the supply of new housing considerably, develop local industry and services, and rebuild roads even in the present atmosphere of serious economic difficulties, it is nevertheless apparent that it is not making full use of all reserves, especially in the banking sphere.

Here are just a few statistics: Today there are 987 banks in Moscow, representing more than a third of the total number in Russia. The combined authorized capital of Moscow's credit institutions is 4.3 trillion rubles, and their combined assets amount to 15-20 times as much. Approximately 90 percent of these colossal resources are being circulated in the state bond market, the currency market, and the trade sector. If this strong flow of finances could have been channeled into the Moscow Government's investment projects, the possible results could have made the present construction boom look more like a slump.

The search for avenues of cooperation was the topic of a meeting in the mayor's office at the end of last week, attended by the heads of more than 300 of the largest banks. Oddly enough, the last meeting of this kind was held back in 1991, and now both sides are wondering why they waited so long for this attempt to unite their efforts.

The two sides took several impressive steps to meet each other halfway at the meeting. Moscow Mayor Yuriy Luzhkov, for example, promised the bank administrators that he would ask the municipal Duma to consider setting "more liberal rates for local taxes than in any other part of the country." Regrettably, the situation here is still the direct opposite: Taxes in the capital are among the highest in the country, and this seriously limits the banks' ability to participate in investment projects.

Representatives of the Moscow Government also reported that they are completing the work on mechanisms for the issuance of their guarantees to banks for investments. This could provide much stronger incentives to finance residential construction projects. They also plan to revise the present practice, known as the "50-50 plan," in which the investment companies buying and remodeling residential space have to turn half of this housing over to municipal government agencies later. The decision to cover either all or part of the cost of resettling people from the acquired housing with municipal budget resources could be the first step in this direction.

Finally, Yu. Luzhkov also said it was time to lay a solid regulatory foundation for mortgage loans. If the appropriate laws are not passed soon on the federal level, Moscow will issue legal instruments of its own.

The bankers tried to use the meeting not only to solve strictly local problems in the capital, but also to involve the Moscow Government in the resolution of the problems of the whole banking system. Their line of reasoning is quite simple: Until credit institutions are backed up by federal government agencies, there will be no hope of investment in local projects.

In connection with this, there were more complaints about the excessive reserve funds commercial banks have to deposit in the Central Bank, and about the absurdity of the withholding tax deductions from the bank reserves created to cushion credit risks. Once again, the bankers demanded that banks be authorized to use part of their mandatory reserves for long-term investment.

It is interesting that all of these complaints evoked a sympathetic response from the mayor and from other members of the municipal government. This will reinforce the position of the banks in the struggle for their rights. In general, the participants in the conference agreed that meetings of this kind should be held annually. Furthermore, the commissions that were formed at the conference will now operate as standing bodies and will quickly settle disagreements between the capital's banking system and local officials.

Kazakhstan

Edict Appointing Deputy Prime Minister

964F0025A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 4 Oct 95 p 1

[Edict of the president of the Republic of Kazakhstan: "On the Appointment of N.A. Shaykenov Deputy Prime Minister of the Republic of Kazakhstan"]

[FBIS Translated Text] To appoint Nagashbay Amangaleyevich Shaykenov deputy prime minister of the Republic of Kazakhstan, relieving him of the office of deputy prime minister of the Republic of Kazakhstan—minister of justice.

[Signed] N. Nazarbayev, president of the Republic of Kazakhstan

Almaty, 3 October 1995.

Influence of Opposition Movements Foreseen

964F0066A Moscow SEGODNYA in Russian 29 Sep 95 p 8

[Article by Beket Aubakirov, under the "Prognosis" rubric: "Kazakhstan Political Scientists on the Upcoming Elections: In Their Opinion, the Opposition's Chances for Victory Are Not Bad"]

[FBIS Translated Text] Almaty—A group of political scientists famous in Kazakhstan published in the local press their prognosis on the upcoming elections to the republic parliament, which are to take place in the first 10 days of December.

According to the Constitution, the supreme representative organ of the Republic of Kazakhstan consists of two chambers. The Senate is formed of deputies nominated at sessions of the representative organs in the oblasts and cities of republic significance. Some of them are appointed directly by the head of state. The lower chamber, the Majlis, consists of 67 people, elected by single-seat territorial district. Its future composition is what interested the political scientists.

According to their prognoses, the influence of the parliament on the elaboration and realization of the republic's policy will prove to be minimal, which is explained by the constitutional constriction of its powers and the facilitated procedure for its disbandment. Therefore, major social figures will decline to participate in the pre-election struggle, considering it and further lawmaking activity inappropriate to the level of their political reputation.

The second important factor that will have an influence on the composition of the Majlis is the lack of guarantees of the preservation of one's former job. This will frighten away many people who have high standing and lucrative positions in the management of state and private companies.

The third negative factor will be, in the opinion of the political scientists, the moving of the state capital from Almaty to Akmola. Many prominent representatives of the scientific and creative intelligentsia now living in Almaty and other large cities in the republic will hardly be likely to agree to fight for a deputy seat given the prospect of moving to Akmola, with its dubious merits as a commonplace oblast center. Besides that, the title of deputy in Kazakhstan has long lost its former prestige. In the eyes of the public, the image has already formed of the deputy as an incompetent demagogue, squandering the people's money to no purpose on aides, cars, extra payments, and offices.

As a result, the qualitative composition of the future parliament could be significantly inferior to today's. It will be formed of representatives of the lower echelons of executive power, who will try to make use of any opportunity to thrust themselves to the top. These are the potential allies of President Nursultan Nazarbayev. But they, however, could find themselves in the minority, pushed aside by representatives of the opposition, who have nothing to lose and among whom the communists particularly stand out, having the highest rating among the population—16.6 percent. In second place is the Republican Party, with 10.5 percent, which has not yet determined its position with respect to the elections. And only after that follows the People's Unity of Kazakhstan [Narodnoye yedinstvo Kazakhstana], which actively supports the president. But it is losing the confidence of the people at a precipitous rate: Over the past year, its rating fell from 22.1 percent to 8.6 percent. Various factions are detaching themselves from the party and are striving to attain independence. But in the time that remains, they are hardly likely to be able to consolidate their influence among the people.

Therefore, in the opinion of the political scientists, precisely the opposition, having a good chance at victory, will take active part in the fight for parliamentary seats. If the communists unite with other parties that are close to them in spirit (the Labor Movement [Rabocheye dvizheniye], the Russian Community [Russkaya obshchina], the Accord [Lad] Slavic movement, the Party of Social Justice [Partiya sotsialnoy spravedlivosti]), then in the case of success, the lower chamber of parliament will yet be able to give Mr. Nazarbayev no small amount of trouble. However, the pre-election struggle in Kazakhstan is only unfolding, and the most unexpected twists are still possible in its process.

Kolpakov on Changes in Voting Legislation

964F0065A Almaty PANORAMA in Russian 7 Oct 95 No 39, p 2

[Interview with Konstantin Kolpakov, minister of justice of the Republic of Kazakhstan, by Irina Bektiyarova of INTERFAX for PANORAMA; place and date not given: "Parliament in Kazakhstan Will Evidently Begin Work in January"]

[FBIS Translated Text] PANORAMA publishes an interview with Konstantin Kolpakov, a drafter of the new Kazakhstan election legislation, who was just recently appointed minister of justice of the Republic of Kazakhstan, but who is, nonetheless, well known to PANORAMA readers.

[Bektiyarova] Konstantin Anatolyevich, what are the particular features of the new Kazakhstan election legislation, what are the fundamental changes in it?

[Kolpakov] The presidential edict with the force of law, "On Elections," primarily excludes the aspects that led to the parliamentary crisis in March (the Supreme Council was deemed illegitimate because the Constitutional Court had found the elections of the deputies as not having been in conformity with the Constitution). It formulates all the procedures of the formation of a new bicameral parliament (Kazakhstan previously had a unicameral parliament). In accordance with the requirements of the new Constitution adopted at the referendum on 30 August, it contains for the first time the main principles of the election of members of local government authorities.

I consider an important achievement of the edict the fact that we have at least decided upon the nonstate funding of the elections. This system is more honest and upright than meager state funding under the conditions of the adverse socioeconomic situation in the country, which wittingly or unwittingly pushed people into a violation of this principle. The new system makes the process of financing candidates' participation in the elections transparent—it is clear to everyone who is operating with what kind of funds.

The election process will become more democratic, it will be without many contrived aspects. We have abandoned, specifically, the demand for the collection of signatures in support of candidates for membership of the lower house. And have retained the collection of signatures and signature lists only for candidates for the upper house of parliament where their authenticity and the soundness of the collection may really be checked. A candidate for deputy of the Senate has to be supported by no less than 10 percent of the vote of the total number of electors (deputies are elected to the Senate by members of the local representative bodies—the councils).

The greater democratic character of the new legislative procedure of the elections is indicated by the fact that not only republic public associations, as before, now take part in the nomination of candidates but local associations also, and self-nomination is retained in full. The doors have been opened wide for self-nominees even to the Senate—and it was suspected that we would create some closed body to which only deputies of the councils would be elected.

The drafters of the edict on elections tried to establish in it provisions ensuring that the elections themselves be as legitimate as possible. You know about the practical aspect of our elections, when there are a good many violations, particularly on the threshold of the elections, in campaigning and so forth. Now any violation of the edict will entail serious sanctions in respect to the candidate—either he will not be registered or the registration decision will be subject to cancellation.

[Bektiyarova] It was anticipated that the principle of family voting would be legalized. But this has not happened. Why?

[Kolpakov] There was this anticipation. We did not agree to its realization since it would be contrary to the Constitution: We have general, equal, and direct suffrage and the principle of direct voting. But even had the Constitution permitted this, we could have agreed to family voting only by having formulated a good form of certification confirming that I am confiding my vote. But then a further circulation of forms would be expected, and everything would have become far more bureaucratic—write out the application, have it notarized.... The process would only have become more complicated....

[Bektiyarova] Aside from the 67 deputies of the Mazhilis and 44 representatives of the Senate (two persons per oblast, the capital, and cities of republic significance), a presidential quota in parliament is contemplated. Why has it been reduced, after all, the president was entitled to nominate 44 candidates for the previous parliament. Is it not because a presidential lobby did not eventuate from those deputies and because some of the nominees went into opposition to Nazarbayev?

[Kolpakov] According to the new legislation, the president is entitled to appoint seven deputies to the Senate. This was done not to ensure a presidential detachment in parliament. A role is performed in the legislative body by very many factors—social, national, professional, sex and age, and others. The optimum structure of parliament in terms of various parameters has to be sought. The president should have the opportunity to balance the composition of this branch of power.

[Bektiyarova] Balancing is only possible when if only the general outlines of this body are clear.

[Kolpakov] True, and this is why the appointments will be made only when two-thirds of the Senate has already been elected by oblast and when the overall picture is already clear.

[Bektiyarova] They will not undergo any election procedures?

[Kolpakov] No, they will be appointed by the president.

[Bektiyarova] An election contribution from the candidate's own funds 100 times the minimum wage, which is currently the equivalent of 300 tenge, is stipulated for candidates for the Mazhilis and the Senate. Why was this requirement introduced?

[Kolpakov] Elections are a very costly undertaking. I believe, therefore, that those who consciously take this political path should participate as much as possible in defraying the expenses that are incurred by the state, the budget, and, consequently, all of us taxpayers in the staging of the elections. The idea of the contribution is to defray at least some of these expenses.

[Bektiyarova] A deposit was introduced at the elections of the previous parliament last March. It was less and was, incidentally, returned to those who mustered more than 5 percent of the vote.

[Kolpakov] Indeed, the deposit then was in the amount of five times the candidate's wage or salary, and for those not in employment, five times the minimum wage. But even now the contribution is not that great, we are not talking about outrageous amounts which are within reach only for well-to-do people. Believe me, we did not want to create a parliament for the wealthy.

As for the return of the loan, foreign practice in the repayment of these funds is not everywhere the same—in some places they are returned, in some, not.

[Bektiyarova] The present contribution amounts to approximately $500. Some potential candidates consider it an insurmountable barrier.

[Kolpakov] Perhaps we should put the question this way: Do we want a person who has nothing at all to end up in parliament? He should certainly give it some thought before embarking on this path.

[Bektiyarova] Can our election legislation be compared with what there is in other countries: Russia, for example?

[Kolpakov] Each country should have a system appropriate to its conditions. We did not, of course, lock ourselves into the framework of an absolute- or relative-majority first-past-the-post system. We studied the proportional system and others in various countries.

Why, for example, did we not agree to party slates? Let us confess that there is no developed party system in Kazakhstan today. There are no parties that have a broad social foundation. Extensive interparty struggle and the competition of party programs, which could make it possible to form various party slates, are lacking.

Nor did we decide on a proportional system of elections because it is extraordinarily difficult to apply and requires the high legal schooling primarily of the members of the election commissions. We are not prepared for this today.

A certain stereotype of elections has been cultivated with us. And we should not depart from it abruptly, in an instant. We have tried to make the electoral procedure as clear and accessible as possible. People should have a clear idea of how the elections are held, what is done in the first round of voting, what is done in the second, and so forth.

[Bektiyarova] Will the new conditions enshrined in the Constitution and the edict on elections contribute to the formation of a truly professional efficient parliament?

[Kolpakov] This will depend not only on the elections themselves, although we would note that there are no special dodges, catches, or impasse situations in the new election law.

The president, as always when preparing such important documents, worked with us directly. In the course of repeated discussion of the draft he expressed one main desire—that the document be made as intelligible as possible in order that the election process be as democratic as possible. The gates to parliament, let us say, have now been opened quite wide, and there will be no special difficulties for a person getting there. Both the self-nomination and the relatively simple system of registration of the candidates and much else will contribute to this.

As far as the constitutional conditions are concerned, it was no accident that we established for the upper chamber age, educational, and other qualifications. The Senate should perform in parliament a very important role and be, in fact, a filter for legislative initiatives and the generator of cultivated legislative policy.

We know that populism always performs a considerable role at elections. To some extent this is normal. But the kind of parliament we acquire will depend to a large extent on the kind of people who try and to what extent to play on today's difficulties by way of criticism of the current authorities (and this is always profitable).

[Bektiyarova] Has the president begun to prepare a field of activity for the deputies, and what bills will they be offered initially? The head of state himself, meanwhile, retains his supplemental powers up to parliament's election; what laws is he planning to sign himself?

[Kolpakov] According to the new Constitution, the president does not have legislative initiative. The government will work with parliament. Although the president is entitled to present legislative commissions of the government. And on particularly important matters he will avail himself of this right. The government is already working on determination of the list of bills that will be submitted to parliament for it to begin work and have an area of activity.

As far as the president is concerned, such important edicts as those on parliament and the status of the deputy and on the government, a new version of the edict on the referendum, and a whole block of economic laws—on the real estate mortgage and on privatization—and also edicts on public service, the courts, and the status of judges will be signed very shortly. The plans are far-reaching, and the president is maintaining the pace.

[Bektiyarova] When will the work of the new parliament begin?

[Kolpakov] In accordance with the draft law on parliament, the first session is to be convened by the president no later than 30 days following the day the election results are published. The elections to the Senate will be held on 5 December, to the Mazhilis, on 9 December. The Central Election Commission will publish the results 10 days later. I believe that parliament will actually begin work after New Year's.

Note that the president has kept his word—elections will be held this year, in December. I hope that there will be no turnout problems and that the elections will be normal.

Commission Official on New Election Law

964F0044A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 5 Oct 95 p 1

[Interview with Yuriy Kim, Central Election Commission chairman, by KAZAKHSTANSKAYA PRAVDA writer Yevgeniy Nekrasov; place and date not given: "New Law on Elections"]

[FBIS Translated Text] As we know, on 28 September 1995 the president of the Republic of Kazakhstan adopted a decree with the force of constitutional law, "On Elections in the Republic of Kazakhstan." In this connection our correspondent directed a couple of questions to the chairman of the Central Election Commission, Yuriy Kim.

[Nekrasov] Yuriy Alekseyevich, in your view, what is the fundamental difference between the edict "On Elections" and the preceding normative act—the Election Code?

[Kim] The preparation for and adoption of the edict "On Elections in the Republic of Kazakhstan" were a logical and necessary step after the adoption in the nationwide referendum of the republic Constitution which is currently in effect. Therefore one cannot say that the Election Code was no longer to somebody's liking—there simply arose a need to bring it into compliance with the country's Basic Law.

Of course there are essential differences between the two documents—the Code and the edict "On Elections." The edict is not codified, the procedure for conducting the elections has changed, and the authority of the Central Election Commission has been expanded.

[Nekrasov] Who was the developer of the edict "On Elections" and what was used as a basis for preparing it?

[Kim] Specialists of the president's apparatus and the Central Election Commission, including myself, worked on it. Our main criterion was that the law comply with the country's Basic Law. In a certain sense, of course, one can say that our Constitution and the normative acts adopted on its basis are close to the French model. Many principles applied in the world practice of state construction are universal, and those we are using, in my view, comply with our sociopolitical realities.

[Nekrasov] Were all of your estimates as one of the developers of the edict "On Elections" taken into account, or were some things left unrealized.

[Kim] No, it seems that all of our proposals are to be found in the edict and therefore I have no additional wishes. Life will show how the edict works, and it will depend largely on us.

[Nekrasov] We are now living in a time of great changes in which many normative acts are frequently being changed. What do you think, will the edict "On Elections" have a long life?

[Kim] Taking into account the fact that the edict "On Elections" is a constitutional law, there is a special procedure for its being revoked or having changes made to it. In principle this decree must be in effect throughout the entire period when the current Constitution is in force.

[Nekrasov] The edict "On Elections" introduced principally new concepts, for example, the indirect vote. For what purpose was this done and does it not diminish citizens' rights?

[Kim] The introduction of the so-called institution of the elector is not our invention. This principle has long been practiced in many countries of the world, including the United States, which is frequently called the standard for democracy. There are no violations of the citizens' electoral rights here; it is simply that in elections of senators the voters delegate their votes to electors—deputies of the councils. The deputies of the councils themselves, the majlis of the parliament, and the president are elected by the citizens through a direct and secret vote.

[Nekrasov] Another innovation is the introduction of a nonrefundable voter fee and campaign funds. Will these measures not lead to a situation where only well-to-do people who enjoy support from influential commercial or, worse, criminal structures, who will then protect their interests, will be able to get into parliament?

[Kim] Your misgivings are quite justified. Regarding the voter fee, I can say that it is a worldwide practice. Candidates for deputy or president must understand the responsibility involved in their decision and be confident of their powers. Incidentally, the amount of the fee is not so great. In general I think the representative agencies should have people who are competent and enterprising and not concerned with the problem of how to feed their own families. Otherwise how could the deputy solve problems at a state level?

As for the funds and support for candidates in general—all funds must be legal; we will carefully make sure of that. And in general we had the problem of lobbying even with the past parliament. This is no great tragedy either; all we need is to keep it within a certain framework. For instance, the United States long ago adopted a law on lobbying which establishes the procedure for conducting this kind of activity.

[Nekrasov] With the great differences in incomes, how will it realistically be possible for citizens to have an equal passive voting right—the right to be elected?

[Kim] The state can guarantee only equal initial possibilities or, in other words, a certain minimum of rights when conducting the election campaign. But there can be no absolute equality here, for even the people themselves are not initially equal, just as their election programs are not equal. Therefore we cannot in any way restrict the creative imagination of the candidates or their financial capabilities. There are only the main rules—legality of funds that are spent and respect for the law and one's competitors.

[Nekrasov] With the adoption of the edict "On Elections," what has changed for the rank-and-file voter?

[Kim] The main constitutional principles—equal and secret voting, one vote for each voter—have remained unchanged and are guaranteed by the edict. We are now working on the form of the ballot and other peculiarities of the forthcoming elections are being taken into account. The population will be promptly informed of all this through the mass media.

Edict Naming Tshanov Zhambyl Oblast Akim

964F0055A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 7 Oct 95 p 1

[Edict of the president of the Republic of Kazakhstan: "On the Appointment of A.K. Tshanov as Akim of Zhambyl Oblast"]

[FBIS Translated Text] Amalbek Kozybakovich Tshanov shall be appointed akim of Zhambyl Oblast, having been relieved of the position of minister of construction, housing, and development of the territory of the Republic of Kazakhstan.

[Signed] President of the Republic of Kazakhstan N. Nazarbayev

Almaty, 6 October 1995

Amalbek Kozybakovich Tshanov was born in 1942 in the village of Sovetskoye in Toleybiyskiy Rayon in South Kazakhstan Oblast. He is Kazakh. He graduated from the Kazakh Chemical-Technological Institute with the specialty of mechanical engineer and engineer-builder-technologist.

He began his labor activity as a laboratory assistant in a secondary school. After graduation from the institute he followed the path from engineer to manager of a trust and was general director of the Yugstroykonstruktsiya production association. From 1992 through 1994 he worked as chief of the Shymkent City Administration. Since October 1994 he has been minister of construction, housing, and development of the territory.

He was elected deputy of the Council of the Republic.

Edict Naming Brynkin Turgay Oblast Akim

964F0056A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 7 Oct 95 p 1

[Edict of the president of the Republic of Kazakhstan: "On the Appointment of V.A. Brynkin as Akim of Turgay Oblast"]

[FBIS Translated Text] Vitaliy Alekseyevich Brynkin shall be appointed akim of Turgay Oblast.

[Signed] President of the Republic of Kazakhstan N. Nazarbayev

Almaty, 6 October 1995

Vitaliy Alekseyevich Brynkin served under the CPSU Central Committee in the specialty of mechanical engineer for agriculture.

He began his labor activity as a milling machine operator at the Zernogradselmash Plant in Rostov Oblast. He has been a teacher and deputy director of the Oktyabrskiy Agricultural Vocational and Technical School in Kokshetau Oblast. Subsequently he worked in administrative organs of the republic and Turgay and Kzyl-Orda Oblasts. During 1992-1994 he was chief of the Leninsk City Administration. Since August 1994 he has worked on the staff of the president of the republic as representative of the chief of state in Semipalatinsk Oblast, and since April 1995—deputy chief of the organization and control administration.

Verk Reviews Selection of New Oblast Akims

964F0048A Almaty DELOVAYA NEDELYA in Russian 6 Oct 95 p 1

[Article by DELOVAYA NEDELYA correspondent Viktor Verk: "Ten Days That Will Shake the Apparat?"]

[FBIS Translated Text] With all the relativity of journalistic forecasts, sometimes they do come true. DELOVAYA NEDELYA predicted the upcoming purge of the ranks of oblast akims, and it did happen. Four oblasts—Aktyubinsk, Kostanay, Kzyl-Orda, and Mangistau—got themselves new leaders.

The most interesting replacement on the akims "team" is the appointment of Berdibek Saparbayev to Kzyl-Orda. When 42-year-old Saparbayev was appointed Cabinet of Ministers chief of staff, informed people in government backrooms were divided in their opinions. Some rushed to the conclusion that a new super-influential figure had appeared in the government, whose influence on highest- level decisionmaking would grow with each passing day. Others said that the new chief of staff was a potential contender for the minister of finance's chair, since the standing of its current occupant, Aleksandr Pavlov, was somewhat shaky.

The latter's dictum was seemingly confirmed by the expanded meeting of the Cabinet of Ministers on 22 September, in the course of which not only the current head of the Ministry of Finance but also several oblast akims were seriously taken to task. It appeared that a change of authority in our "financial kingdom" was imminent.

As it turned out, however, both the former and the latter were wrong. So far there have been no changes in the Ministry of Finance, while, on the other hand, Mr. Saparbayev's home base finally embraced its "prodigal son." It is hard to tell what gain this would bring to the region, but Berdibek Mashbekovich's departure from the capital power Olympus inevitably will somewhat change the disposition of forces inside the "reform headquarters." In any case, many of those whose tenure in the blessed Cabinet of Ministers offices was far less solid than that of the former chief of staff can only repeat the remark of Gruppenfuhrer Schellenberg from "Seventeen Moments of Spring....": "This could cost us our heads."

Yes, it could. Actually, this signal came from the concluding part of Prime Minister Kazhegeldin's report at the aforementioned Cabinet of Ministers meeting. Wrapping up his report to the president, Akezhan Magzhanovich said: "We have announced the main parameters of what we want to achieve within the next three years. But this can only be accomplished by a team of like-minded thinkers.... It is one thing to proclaim solidarity, and quite another, to act on it. Very soon I intend to make use of my constitutional right and submit my proposals to the president." The president took this move on the part of his prime minister with extreme benevolence and gave him 10 days—which ran out at the beginning of last week—to clean the "Augean stables."

Now it appears another stage of personnel musical chairs has begun in Kazakhstan. The first to lose his "ecological niche" was Minister of Ecology and Bioresources Svyatoslav Medvedev. Actually, the fact that Svyatoslav Aleksandrovich's days on the job were numbered has been clear more or less since the beginning of this year, when numerous audit commissions began an assault on his agency. The man who came to replace him, however, looks like an obvious novice in the capital bureaucratic hierarchy. Despite the fact that Nikolay Ivanovich Bayev (who worked as deputy head of the local administration and was a parliament member elected on the state list) clearly has enough nomenklatura experience.

For many, however, a greater surprise was another move—Nagashbay Shaykenov, deputy prime minister cum minister of justice, became a "mere" deputy prime minister. While the Ministry of Justice, which through the efforts of Nagashbay Amangaliyevich has become one of the key agencies in the country, went to one of president's active co-authors on the draft of the Constitution—Konstantin Kolpakov.

As to Nagashbay Shaykenov himself, for him the loss of one of two chairs may turn into a considerable gain. In any case, the significance of this figure in the near future may grow, hence justifying the forecast made by our newspaper as far back as the middle of

July (see DELOVAYA NEDELYA No. 28). According to scuttlebutt (which usually turns out to be most reliable), the former chief of Kazakhstan's justice will now also supervise enforcement agencies. In particular, as rumor has it, he will play a prominent role in the upcoming reorganization of the MVD [Ministry of Internal Affairs]. Actually, this is a topic for a separate conversation, which our newspaper intends to bring up soon.

Meanwhile, personnel rotation, the need for which our "reformers" keep emphasizing, is apparently gaining momentum, and quite actively. A serious fight is unfolding for a place under the inhospitable Akmola sun. How will it end?

Government Presents 3-Year Reforms Program

964F0016A Almaty PANORAMA in Russian
30 Sep 95 No 38, p 2

[Report by Lera Tsoy, under the rubric "The Authorities": "Cabinet of Ministers Meeting: The Main Emphasis of the Government Medium-Range Economic Reform Program Now Shifts to the Regions"]

[FBIS Translated Text] The event that took place on 22 September of this year lays claim to being characterized as a program: On that day, Kazhegeldin's government, at an expanded meeting with the participation of representatives of the ministries, local administrations, and heads of republic agencies, reported to the president on the results of its work and presented its program of action up to 1998.

Thus, the political play that has been in preparation for the past 15 months (for which the Tereshchenko cabinet got carte blanche from the previous parliament, which then smoothly shifted to the Kazhegeldin government) has come to its logical conclusion.

As Prime Minister Kazhegeldin said, this is the fourth government program; it is aimed at intensifying the reforms and is designed for three years. The prime minister's report, built on the scheme of analysis of the previous program and the tasks of the current one, in general showed the authors' optimistic mood.

Preparing in advance the basis for begging for indulgence, Akezhan Kazhegeldin indicated that four years of reforms have provided rich experience, analysis of which can lead to "any conclusions." Today the head of the government is inclined to believe that the most difficult stage of the economic crisis is being overcome, and moreover, the crisis is coming to an end, "although there is still a danger of falling back."

Having analyzed the execution of the previous program (the calculation was correct, judging, for example, by inflation indicators: In 1993 it measured 2,265 percent, in 1994—1,258 percent, and in 1995—56 percent), the head of the government stated the need to form a "new economic infrastructure." In the opinion of the head of the ruling cabinet, today rising prices do not cause particular concern among the people—apparently because by wage level ($103 as of 1 September; $52 in 1994), within the CIS Kazakhstan is firmly second only to Russia.

However, against the background of visible achievements and market transformations (the National Bank's positive refinance rate, stronger tenge, reorganization mechanisms becoming commonplace, the adoption of a law on bankruptcy, the positive effect of transferring enterprises to outside management—two furnaces have been brought on line at the Yermakov plant), Akezhan Kazhegeldin acknowledged that "stability is still on shaky ground." The Cabinet of Ministers admitted that it is powerless to solve the nonpayments problem. And indicated that the government intends to share this responsibility with the regions.

As became clear from Akezhan Kazhegeldin's report and probably for the first time was enunciated as a government policy priority, the Cabinet of Ministers intends to work in the regions or, as Mr. Kazhegeldin put it, "in the territories." Strictly speaking, a long overdue problem, which PANORAMA has brought up on numerous occasions. Regional-level authorities have long grown tired of central organs' diktat, and unless they are given greater independence, the institution of heads of local administrations could easily become a real opposition to government structures.

The emphasis of government actions will be shifted from the macroeconomic market to the sphere of production and concrete economics by means of decentralizing economic management and giving local authorities greater independence. The government also envisages giving local authorities more independence in forming the budget.

The government plans up to 1998 include conducting a moderately strict anti-inflation policy (reducing the inflation rate to 9 percent by 1998), and National Bank support for the refinancing rate (it will serve as an indicator). The government also intends to cut back National Bank credit auctions; credit to commercial banks (by the way, the number of second-tier banks with paid-in capital of approximately $10 million will be brought to 10-15) will be made available under the system of collateral loans. The National Bank is tasked with further development of the state securities market.

Akezhan Kazhegeldin's government intends to impose a series of new taxes to prop up the budget. For instance, the system of calculating VAT [value-added tax] on the use of land resources and the property tax will be revised. According to the head of government, the system of fixed taxes in the sphere of trade, services, games and gambling, and small and medium-sized enterprises is expected to greatly aid local authorities in managing their budgets. In 1997-1998 a system of tax sharing between the republic and the regions will be introduced, and in addition, a list of local taxes will be issued.

One of the main goals is to create a system of managing the state's internal and external debt: In 1996 the government intends to draft a strategy for internal and foreign borrowing, keeping in mind an increase in foreign borrowing to $3.5 billion; in 1998 it intends to achieve a 15-fold growth in the volume of debt repayment and borrowing on the principal debt, and reducing the foreign debt to 70 percent of its current level.

Prime Minister Kazhegeldin said that in 1996 the government will put into action a mechanism for real appraisal of the financial situation of enterprises for the purpose of fine-tuning the policy on the financial cleanup, reorganization, and liquidation of unprofitable enterprises. The Cabinet of Ministers assumed the main responsibility for nonpayments and the production decline, since these phenomena are more typical of the state sector of the economy. To overcome the nonpayments problem, privatization of state property will be accelerated; also envisaged is expanding the practice of transferring enterprises to outside management with subsequent privatization, and bankruptcy of insolvent enterprises.

Another problem that was mentioned a lot in the past but nevertheless successfully ignored has now again been declared a government priorities—encouraging the development of small and medium-size business. However, this time, according to the prime minister, the government does have the money to finance this direction, but only for those engaged in raw-food processing and consumer goods production in rural areas.

According to the forecast of the authors of the medium-range program, if these measures are successfully implemented by 1998, industrial production should increase by 6-6.5 percent as compared to the expected 1995 level, and gross domestic product [GDP]—by 3.5 percent.

Naturally, such measures must be accompanied by reform of the banking system, which includes two-phase development of the national system of payments, with a shift to full operational activities by the second half of 1998: As already mentioned, this assumes development of a system of second-tier banks, plus several dozen relatively small banks with a capital of at least $5 million, as well as foreign and joint banks. It is envisaged that the National Bank will completely move away from cash servicing of budgets of all levels; work will be continued on developing intersectoral price agreements, with the purpose of setting a coordinated maximum price level.

It became clear that the program of the third stage of privatization is ready for adoption in 1996; this will include completing small-business privatization, completing privatization in the industrial sector, and intensifying privatization by custom- designed projects. Beginning in 1996 the government will sell enterprises for cash and gradually move away from the practice of giving preference to labor collectives and enterprise heads.

The Cabinet of Ministers also envisages social policy measures— transformation of the system of benefits and allowances, pension system reform, simplification of the procedure of pension indexation, the introduction of new principles of regulating labor remuneration, a solution to employment problems, and a balanced policy of budget and nonbudget financing for health care, education, housing construction, and science.

A special part of the program is devoted to questions of legislative support for the reforms.

Undoubtedly, the upcoming reform of structures of executive authority was bound to evoke particular interest among the audience. The prime minister intends to strengthen the role and functions of economic agencies while at the same time cutting sectoral ones, and to cut excess administrative links both in production and in the system of executive organs, first and foremost in the higher echelons of authority (seriously reducing the number of members of the government, and implementing a phased transition to a mobile government, which will include only heads of departments performing political functions).

However, the audience's reaction to this part of the prime minister's presentation was rather one of indifference, which could be explained either by subordination discipline, or by the fact that it is aware of the upcoming shakeup, or by confidence that their presence in the nomenklatura-apparat network guarantees employment ("a good one," according to Nursultan Nazarbayev in his subsequent remarks at the Cabinet of Ministers meeting) under any outcome of the events.

In concentrated form, the main economic parameters the government plans to achieve: by 1997—overcome the payments balance [as published], and by 1998—end borrowing abroad to cover the budget deficit. Nevertheless, the budget deficit in 1998 is projected to be 2.5 percent of the gross product, but it will be covered through domestic borrowing and proceeds from the securities market. Budget revenue will amount to 19 percent of GDP.

In conclusion, Akezhan Kazhegeldin declared the need for a number of personnel changes in the government (the prime minister did not elaborate on this statement), which he intends to implement by "utilizing his constitutional rights."

The appraisal of the government's work and appraisal of the program presented was rendered by the president. Nursultan Nazarbayev unequivocally indicated his approval of the program in general and of the report. The president characterized positively the Kazhegeldin cabinet's work and announced the beginning of the approach to macroeconomic stabilization. His criticisms centered mostly on details (no analysis of which privatization model is the most effective; no databank on the volume of state property). The president's principal criticism was that the program presented is uncoordinated and therefore needs more work.

In the social sphere, Nursultan Nazarbayev demanded measures on liquidating arrears in the payment of wages and pensions (to the extent that it is in the Cabinet of Ministers's power), reform of the system of labor remuneration, support for the system of health care and education, indexation of deposits in the People's Bank, and the draft of an effective employment program.

In the financial sphere, a special program should be adopted to solve the problem of nonpayments and reform the financial system.

The program of sector reform should be supplemented by an inventory of all state property and compilation of a cadaster.

The president acknowledged that the system of state administration needs reforming. It suffers from lack of coordination; a shortcoming of the institution of deputy prime ministers has manifested itself: Each of them strives to delineate and separate the area of issues he supervises (not to mention that the ministers' personalities do not always command respect—"some of them, when traveling abroad, start blabbering nonsense that runs counter to the foreign policy priorities of the state." The president advised them, without naming anyone in particular—"I want to spare their pride"—"to stop by the Ministry of Foreign Affairs before each foreign trip and for a consultation.")

The president's main criticism was addressed to representatives of local organs of authority, and it was to them that his final sarcastic and stinging remark was directed: "All the documents have been distributed to you. I think that a month should be enough for you to familiarize yourselves with them. You need to get the hang of any terminology you do not understand. At the very least."

Neither was the mood of representatives of local authorities improved by the president's announcement that on his orders a total audit of all oblasts has begun (which in principle should dampen the euphoria over the prime minister's promise of greater independence). There is every reason for it—in Aktyubinsk Oblast, mentioned as an example, a huge number of very serious financial violations have been uncovered (see PANORAMA No. 34).

In conclusion, the president agreed that personnel changes are needed—within 10 days (beginning 22 September). Personnel rotation will include heads of oblast administrations.

Society also needs to get ready for the parliamentary election campaign and reform of the judicial system.

Eisenberg-Karmetkombinat Deal Analyzed

964F0046A Almaty EKSPRESS-K in Russian
6 Oct 95 p 2

[Report by Stanislav Pesnev under the rubric "Scandals": "Look for Eisenberg!"]

[FBIS Translated Text] Karaganda—An official announcement has been issued in Karaganda that a consortium of foreign companies has refused to take over management the Karagandaugol [Karaganda Coal] production association [PO]. They got scared either of the multibillion debt or of the uncertainty in government circles.

The composition of the group of investors has never been properly made public. It is known, however, that it included the companies of the well-known Mr. Eisenberg. This worldwide financial "octopus" is known for implementing numerous projects in China, Japan, Israel, the United States, and other countries. His personal fortune is estimated to be billions of dollars, and the total operations of the companies he controls—at $28 billion. Together with the American company United Steel, the Eisenberg group recently took part in the Kazakhstani deal of the century involving Karmetkombinat [Karaganda Metallurgical Combine]. Eisenberg, a 75-year-old Israeli citizen, likes to participate in risky projects but, as it turned out, not with his own money but preferably with loans and government subsidies. Many are now also bothered by the fact that most of the companies registered by Eisenberg are in offshore zones, particularly in Panama.

In Kazakhstan, loans and subsidies presented quite a problem— Karmet's debt turned out to be almost twice as high as initially announced. The PO Karagandaugol owes 1.5 billion tenge [T] to miners, and its total debt amounts to T11 billion. Karmet, which in theory should have paid long ago for coal that has been shipped to it, remains Karagandaugol's main debtor. Its debt grows by about half a billion tenge daily, but apparently nobody in Temirtau intends to pay up.

During the latest board of directors meeting at Karagandaugol, a telephone call came in from Karmet's general director O. Ivantsov. According to eyewitnesses, he pleaded for understanding regarding the situation at the enterprise and literally begged them not to leave the metallurgists hanging at this time of trouble. The rest of Karmet's administration have practically abandoned the combine. The consortium manager's representative, G. Bobrov, "got lost." He has not been seen for quite a while. It is impossible to find anybody in the government. And Eisenberg has never even showed up here.

As a high-ranking official of the Karagandaugol association told a EKSPRESS-K correspondent, legally the coal producers were within their rights not to ship coal without payment, but out of purely humane considerations they decided not to abandon the metallurgists.

Now the association ships to Karmet at least 4,000 tonnes of coal daily. This is barely enough to keep the combine from stopping operations, because for normal operations the metallurgists need 18,000-20,000 tonnes.

So who is in charge of the situation in base industries now?

The Cabinet of Ministers recently drafted a statute on, so to speak, crisis resolution in the coal industry. This document envisages closing unprofitable mines, transferring the remaining ones to foreign management, and terminating supplies from Russia. It also envisages searching for coal substitutes and each oblast developing its own fuel deposits. Specialists feel that this document was drafted by some armchair theoretician-bureaucrat and the whole Cabinet of Ministers signed it without looking. The part about unprofitable mines is understandable. There are enterprises in Karaganda that operate steadily and pay wages to their workers on time. But there are also unprofitable ones—mainly the mines producing power-generation coal. At the same time, the government itself has not decided how much coal Kazakhstan needs. It may happen that after we close down the mines, we will later become dependent on exports. The idea of transferring mines to foreign management also is quite arguable. Specialists and workers themselves are not against privatizing enterprises and transferring them to the ownership of workers collectives but, again, the statute on denationalization and privatization in coal industry is very confusing and contradictory. It seems to bar our people from owning enterprises, but permitting it for foreigners. Neither is the idea of coal substitutes new. Kazakhstan has prospected reserves of oil and gas, but enormous money is needed to develop them.

Once again, Karaganda is in total confusion. The reform of the coal industry and base industries in general as proposed from "higher up" differs from that of the people who have worked in it all their life. They were counting on outside help, but the experience of their metallurgist neighbors is disheartening now: After all the events around Karmet, the largest metallurgical combine is still insolvent and sinking deeper into debt. Is everything coming full circle?

*Foreign Management Planned for Kazakh Metallurgy Plants

964K0004A Moscow SEGODNYA in Russian 28 Sep 95 p 4

[Article by Beket Aubakirov, Almaty: "The Best Kazakh Enterprises Are Changing Over to Foreign Management: The Republic's Government Hopes To Avoid Mass Bankruptcies."]

[FBIS Translated Text] Kazakhstan Prime Minister Akezhan Kazhegeldin has signed a decree on transferring two more enterprises in nonferrous metallurgy to a foreign firm for management. They are the East Kazakhstan Copper and Chemical Combine and the Irtysh Copper-Smelting Plant, which are located in Mountain Altay. From now on, they will be managed by specialists from (Daleks) Trading Ltd (Cyprus). The government took these steps after the enterprises in the branch proved to be on the brink of bankruptcy.

The step that was taken "rounded off" to 20 the number of enterprises that have been changed over to foreign management. For the most part they are enterprises which, during the times of the USSR, were considered to be the country's pride, but which, under market conditions, proved to be insolvent. Only the Pavlodar Aluminum Plant and the Sokolovo-Sarbay Production-Mining Association were able more or less to stabilize the situation: during the first eight months of this year the production slump at those enterprises was stopped and a definite upsurge has begun.

It is typical that all the management firms overlooked the information provided by Kazakhstan concerning the enterprises' debts and organized their own audits, employing independent experts for that purpose. It turned out that for practically all the projects the debts exceed the initial amounts. For example, the indebtedness of the Karaganda Metallurgical Combine is not $240-250, as was assumed, but $420 million. And the enterprise is owed not $40 million, as was indicated in the management contract, but only $7 million.

A similar situation is observed at the Dzhezkazgantsvetmet AO [joint-stock company], the Leninogorsk Polymetallic Combine, and a number of other enterprises. Factually speaking, they were being totally ransacked: taking that into consideration, the management firms began to demand the reviewing of the contracts with respect to adjusting the previous schedules for paying off the debts and additional benefits. And the republic, as in the situation with the Leninogorsk Combine and the Kazakhstan Magnitka, was forced to meet them halfway.

Despite the obvious problems, the Kazakhstan government intends to transfer the management of two more enterprises — the Zhayrem Mining and Concentration Combine and the Chimkent Phosphorus Plant.

Edict Appointing Minister of Justice

964F0027A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 4 Oct 95 p 1

[Edict of the president of the Republic of Kazakhstan: "On the Appointment of K.A. Kolpakov Minister of Justice of the Republic of Kazakhstan"]

[FBIS Translated Text] To appoint Konstantin Anatolyevich Kolpakov minister of justice of the Republic of Kazakhstan.

[Signed] N. Nazarbayev, president of the Republic of Kazakhstan

Almaty, 3 October 1995.

Konstantin Anatolyevich Kolpakov

A Russian, he was born in 1963 in the city of Nizhniy Tagil of Sverdlovsk Oblast. He is a graduate of the Kazakh State University and a candidate of legal sciences.

He began his career as a consultant to a department of the bar of the republic's Ministry of Justice. After having completed his graduate studies and having defended his thesis for candidate's degree, he became an assistant lecturer of a department of the Law Faculty of the Kazakh State University. As of 1990 he worked in the Supreme Soviet system, initially as a consultant, then as head of the Legislation, Expert Legal Opinion, and Analysis Department. In 1991 he was appointed an assistant to the vice president of the republic and was for more than two years after this head of his secretariat. Since March 1994 he has been the president of Kazakhstan's personal representative in the Supreme Council.

Edict Naming Narikbayev General Procurator

964F0050A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 7 Oct 95 p 1

["Edict of the President of the Republic of Kazakhstan on Appointing M.S. Narikbayev General Procurator of the Republic of Kazakhstan"]

[FBIS Translated Text] Maksut Sultanovich Narikbayev is hereby relieved of his job as first deputy chairman of the Supreme Court of the Republic of Kazakhstan and appointed general procurator of the Republic of Kazakhstan.

[Signed] President of the Republic of Kazakhstan N. Nazarbayev

Almaty, 6 October 1995

Maksut Sultanovich Narikbayev is a jurist by profession.

He began his career in Taldy-Kurgan Oblast in culture and enlightenment institutions. He has been working in procuracy organs since 1973, rising to the rank of senior investigator. Subsequently he served as a people's judge and member of the oblast bar. He has held leadership positions in the republic's Ministry of Justice and procuracy. In 1992-1993 he was a member of the president's staff and the Kazakhstan Cabinet of Ministers staff. Since December 1993— first deputy chairman of the Supreme Court.

Has the rank of counselor of justice, 3d class.

Deputy Military Procurator on Crime Issues

964F0037A Almaty PANORAMA in Russian 16 Sep 95 No 36, p 7

[Interview with Deputy Military Procurator of the Republic of Kazakhstan Bakhytzhan Sarsenov by Yaroslav Razumov, under the "Law and Order" heading; place and date not given: "Military Procurator Bakhytzhan Sarsenov: 'In the Coming Year or Two, There Will Be No Fundamental Changes in the Dynamics and Structure of Crime, in the Direction of Its Lessening'"]

[FBIS Translated Text] [Razumov] The military procuracy is now working in conditions of autonomy, of independence of the Ministry of Defense and other power structures. How are your relations with these departments developing?

[Sarsenov] I would like to note at the outset that a great deal of work is being conducted by the military procuracy of the Republic of Kazakhstan and by the subordinate military procuracies, which is aimed at crime prevention, prophylaxis with respect to violations of the law, and, of course, at directly combating crimes already committed. The work is being conducted in the military units and subunits of the Armed Forces of the Republic of Kazakhstan. Here we are rendered enormous assistance by the organs of military administration of the Republic of Kazakhstan's Armed Forces. Joint measures of a prophylactic nature and of other kinds have been worked out with the Republic of Kazakhstan Defense Ministry and other military departments here. With the aim of operational resolution of questions associated with crime prevention, a permanent Coordinating Council has been created under the Republic of Kazakhstan's military procuracy, which includes the foremost leaders of the Republic of Kazakhstan Defense Ministry, the Republic of Kazakhstan State Committee for Guarding the State Border, the Main Headquarters of the Commander of the Internal Troops of the Republic of Kazakhstan, the Republic of Kazakhstan Republican Guard, and the military courts.

Operations conducted jointly with the command of the above- mentioned departments have yielded certain positive results. But the growth of crime and other negative processes taking place in society are making a negative imprint on the Armed Forces of the Republic of Kazakhstan.

[Razumov] What is the state of military crime on the whole in the individual forces? Has the situation changed in comparison with preceding years?

[Sarsenov] The statistical data available at the Republic of Kazakhstan Military Procuracy for the first eight months of 1995, unfortunately, confirm the conclusion that it is growing. Crime in the Armed Forces of the Republic of Kazakhstan increased in comparison with the analogous period of 1994 by 36 percent. The bulk of the crimes considered, or 65.6 percent, were military crimes. As previously, among military crimes, abandonment of one's unit and desertion predominate. While among general crimes, 51.4 percent are accounted for by theft of others' property. In addition, among military crimes, those crimes connected with violation of statutory rules of interrelations have risen by 43 percent, and violation of rules dealing with the performance of guard duty, by 750 percent. The growth of crime is characteristic both of the military units of the Defense Ministry and also for the Border and Internal Troops, the Republic of Kazakhstan Republican Guard, and the Civil Defense staff.

Especial alarm is raised among the military procurators by the growth trend of, if one may say so, officer crime. The purposeful work of the military procurators and the assistance of the command have made possible the exposure of a number of crimes associated with various abuses on the part of officials, with bribe-taking and other serious crimes committed by officers. Here the result was not achieved at once; the preconditions for such a result were laid down back at the end of 1992, and some definite experience was accumulated during the course of 1993. Not fortuitously, already in 1994 twice as many officers were charged with and convicted of various crimes than in past years. In the current year, the Military Procuracy has instituted and is investigating criminal cases with respect to a number of senior officers, including ones occupying responsible positions. Several criminal cases have already been sent for consideration to military courts, including the criminal case against Republic of Kazakhstan Deputy Defense Minister Sapsay. Speaking of crimes committed by officers, I would like to say that it is necessary to rid the Armed Forces of the Republic of Kazakhstan of thieves, bribetakers, and embezzlers of state funds. This is a priority direction in the activity of the military procurators.

[Razumov] A painful problem in the Soviet Army, and then also in the Kazakhstan Army, has traditionally been desertion....

[Sarsenov] The problem of abandonment of military units and desertion of servicemen remains one of the most acute to this very day. These crimes give us approximately 72 percent of the total number of registered military crimes, and they are defining ones in the general picture of Army crime. Since the beginning of the year, these crimes have increased by 40 percent. Naturally, given such a situation, the punitive practice on our part has also been reinforced. However, I am firmly convinced that it is impossible to resolve the problem through punitive measures alone. It is necessary to eliminate at the root the reasons and the conditions that promote the committing of these crimes. And the reasons are many, both of an objective and of a subjective nature.

These are both incomplete preparation for young people for service in the Army and defects in the Army environment. Here, evidently, the lack of elementary skills of military service make themselves felt, as well as weak physical training, defects, and frequently a lack of psychological preparation. The not always objective public opinion of military service, and of the Army itself, has had a very negative influence.

On the other hand, some reasons for the abandonment of military units and desertion are precisely violations in the Army itself: These are harassment among the servicemen, or, as it is customarily called among the people, hazing; inattention on the part of the commanders to the needs of their subordinates; failure to take measures with respect to violators, poor social and living conditions for service; unsatisfactory nutrition, and so on. And that is present; the military procurators do not conceal this, and they are combating it. Generally speaking, this problem is multifaceted, and, as it seems to me, should be the topic of a separate discussion.

[Razumov] How, in your view, will the situation with military crime develop? What measures can be taken in order to improve the situation?

[Sarsenov] In answering your question, I would like to express my personal opinion as a military jurist and as an officer. In the coming year or two, there will be no fundamental changes in the dynamics and structure of crime, in the direction of its lessening. Here the military procurators or the organs of military administration are not to blame. To a greater extent, this is dependent on the following factors: the stabilization of society in its socioeconomic aspects; a departure from legal nihilism and a transition to respect and understanding for the laws of the country. This is in general; as for the Armed Forces, here it is necessary to raise the prestige of military service, to resolve the question of bringing the officer cadres up to strength with high-class specialists.

It is also necessary to increase state guarantees with respect to the social protection of servicemen, to increase the military service privileges. The main thing, in my view, is the soonest possible transition to contract service, which will allow the professionalization of the Army to be completed. But the contracts must be mutually beneficial; they need to stipulate the mutual obligations between the state and the servicemen. When the serviceman begins to feel confidence in the following day and the protection of the state, when he is materially provided for, then he will serve in a reliable fashion, afraid to violate the regulation requirements, not to speak of committing crimes. Correspondingly, it will be necessary to change the criminal code as well, in the military crimes section, with a toughening of sanctions, to bring in a broader system of fines.

What do we have today? The salaries of the officers are wretched and are paid irregularly, with delays. The living conditions, especially in the remote military installations, leave something to be desired, to put it mildly. And all this in conditions of rising workloads. The situation with the soldiers is analogous. That is why both social guarantees and a service of professionals are necessary. With their arrival, we may lose out in numbers, but we will win out in quality. But for such fundamental changes, very great material expenditures are necessary, and these the state cannot allocate at this time; therefore, the problems will remain for the time being, and correspondingly, crime will also not be rooted out.

[Razumov] There are known cases of very poor provision of servicemen's allowances, which have become a reason for the desertion of many soldiers. How do matters stand with this?

[Sarsenov] There have been such cases; we know about them and are taking all the measures that are in our power for the resolution of the question. If one takes the problem on the scale of the Armed Forces, here the reason is in the insufficient financing of the Army's agencies in charge of supplying food, money, and clothing. The secret is simple: The money is lacking in the amounts necessary. But there are other reasons as well. That is the unscrupulousness of certain officials, who effect the theft of food, clothing, and monetary allowances, blaming this on the soldiers. It is precisely in these units that the rations are worse than modest, and, being perpetually hungry, the servicemen at best flee home from the unit, and at worst take food away from their comrades in arms or go out to steal. Here one can also speak of insufficient control on the part of the higher-ranking commanders.

Recently the military procuracy completed its investigation in the criminal case of a military unit food service officer. Captain S., in accordance with a pre-arranged agreement with another officer in the unit, used a forged check to get more than 2 million tenge worth of various products from the storehouse, which the accomplices divided between themselves. Both criminals were convicted.

[Razumov] Have there been instances of corruption in the Army, of illegal exemption from the draft?

[Sarsenov] I cannot tell you about the facts of corruption on the scale of the Republic of Kazakhstan Armed Forces, since the unscrupulousness of individual officers cannot serve as a yardstick for the whole Army, for the entire officer corps.

There have been instances of illegal exemption from the draft. The military procurators are constantly involved in verification of the military commissariats' carrying out of the law of the Republic of Kazakhstan "On National Compulsory Military Service" and the military service. The results of this verification show that incidents do take place of the conscription into the military service of youths who, by virtue of their physical qualities, of illnesses present, should have been exempted from the draft, or should have been granted a deferral until they were completely cured. However, such persons, including those suffering from various psychological illnesses, go into the Army, and, as a rule, become the object of mockery and insults. On their conscription, subsequent treatment, investigation, and discharge home a very great amount in state funds is expended. Now we have instituted criminal proceedings in several such cases associated with the negligence of the draft commissions of a number of Almaty's military commissariats, and at the same time, one now has the task of bringing action against those guilty of unlawful conscription for the return to the state of wasted resources. In the Border Troops and the Internal Troops of the Republic of Kazakhstan alone, tens of millions of tenge have been expended on all the measures connected with the discharge of unlawfully conscripted men.

The other extreme of the work of the military commissariats consists in the granting of illegal deferrals to youths who ought to serve and who are fit for this according to all the indicators. Of course, the question arises about possible receipt of compensation, but we cannot let ourselves be guided by our own suppositions alone, while the fact of the transfer of money generally takes place without witnesses, and as a consequence is difficult to prove. But nevertheless, a number of cases involving officers and military commissariat workers receiving bribes have gone to court.

[Razumov] How effectively does today's legal base allow the Armed Forces to combat crime?

[Sarsenov] There are many problems in this question. Up to the present time, everyday life in the Army has been based on the service regulations of the Armed Forces of the no longer extant Soviet state, and many orders and directives of the USSR Ministry of Defense are in operation. Adopted laws of the Republic of Kazakhstan regulating Army questions enter into contradiction with the above- mentioned acts of the USSR and present the military procurators with many questions and traps. Acts that should have been adopted with the adoption of the laws of the Republic of Kazakhstan are not adopted, and if they are, then it is extremely slowly. To this day a statute on military service has not been adopted. It is also necessary to change certain statutes of criminal and criminal- procedural legislation. The Military Procuracy of the Republic of Kazakhstan takes active part in the elaboration of draft laws and directs its proposals to the appropriate agencies. Now our representatives are working in groups on the elaboration of new laws dealing with the Armed Forces, and on changing those that already exist. One would like to believe that they will be adopted in the very near future and will help the military procurators to carry out their function effectively, the more so since the adopted new Constitution of the Republic of Kazakhstan envisions this.

[Razumov] Does the military procuracy know of cases of the theft of arms and ammunition?

[Sarsenov] In the modern situation, when there are hot spots in neighboring states, demand for weapons and everything associated with them is growing. Criminals, having a lot of money, will go to all lengths to acquire weapons. And they embark on the suborning of persons associated through the nature of their service with places that weapons are stored; they engage in blackmail and direct threats, and they find other means of influence. But the most effective method is when they find within the servicemen's milieu people who are willing for money to directly betray the interests of the service, to violate the officer's honor and oath. Unfortunately, such can be found. And they undertake to steal large batches of weapons. The difficulty consists in the fact that 90 percent of the criminal cases of this category of crimes were committed by the very officials who are directly responsible for storing the weapons. But I would like to note that for practically every instance of weapons theft, a criminal case is brought, and, however tangled the crimes may be, they are solved and the weapons recovered. In those cases that have been suspended, it is established who committed the crime, and a search is conducted for them and the stolen weapons, and sooner or later a large portion of the fugitive criminals will be found. In this we are helped by our colleagues from the CIS countries. We have definite positive experience, and we are honing it.

On 14 March 1995, in one of the military units of the Kapchagay garrison, a case of weapons theft by the guard commander, Warrant Officer Brutchik, was ascertained. A criminal case was immediately brought. In the course of the investigation, the identities of the former servicemen of that unit who had participated in the theft were established, and they were arrested; 93 pistols of various systems, and the cartridges to them, were confiscated from the criminals. It was established that Brutchik, who was directly responsible for the weapons warehouses, faked seal casts, handed the keys to his accomplices, turned off the alarm, made a passage in the barbed wire, and so on. After the theft was effected, the warehouse was sealed up with the cast, and other measures were taken to hide the traces of the crimes. But despite this, the criminals (there were four) were brought to light, their guilt completely proven, and they were sentenced to varying terms of incarceration.

Procuratorial verifications demonstrate that not everything has yet been done in the Armed Forces for reliable storage of weapons. We are constantly informing headquarters and other organs, and we are taking procuratorial response measures. The question was considered in June of 1995, at a session of the Coordinating Council of organs of military administration. Our position here is unambiguous: While violations that allow weapons theft to be committed and improper weapons storage exist, the military procurators will not rest, including in the area of the selection of cadres for positions associated with weapons storage.

[Razumov] Will a military police force be created in Kazakhstan?

[Sarsenov] If there is the money, then there will also be a military police force. Its organization is necessary and dictated by the life of the Army.

Edict on Inquiry, Investigation Bodies

964F0059A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 7 Oct 95 p 1

[Edict of the president of the Republic of Kazakhstan with the force of law: "On Special State Organs of the Republic of Kazakhstan Conducting Inquiries and Investigations"]

[FBIS Translated Text] In compliance with Point 1 of Article 84 of the Constitution of the Republic of Kazakhstan and Article 1 of the law of the Republic of Kazakhstan of 10 December 1993 "On Temporary Delegation of Additional Authority to the President of the Republic of Kazakhstan and the Chiefs of the Local Administrations," I issue the following edict.

Article 1.

The special state organs conducting inquiry and investigation in compliance with legislation shall include:

1) the National Security Committee of the Republic of Kazakhstan;

2) the State Investigation Committee of the Republic of Kazakhstan.

Article 2.

1. The National Security Committee shall perform, in compliance with legislation, inquiry, investigation, and operational-search activity, and also other functions established by law.

2. The State Investigation Committee shall perform, in compliance with legislation, inquiry, investigation, and operational-search activity and the functions ensuing from them.

3. The National Security Committee and the State Investigation Committee shall be directly subordinate and answerable to the president of the Republic of Kazakhstan and shall not be included in the republic system of central executive organs.

Article 3.

1. The National Security Committee and the State Investigation Committee shall be formed and reorganized by the president of the Republic of Kazakhstan.

2. The chairman of the National Security Committee shall be appointed to the position and dismissed from the position by the president of the Republic of Kazakhstan according to the procedure established by Subpoint 5) of Point 1 of Article 44 of the Constitution of the Republic of Kazakhstan.

3. The chairman of the State Investigation Committee shall be appointed to the position and dismissed from the position by the president of the Republic of Kazakhstan.

4. The deputy chairmen of the National Security Committee and the State Investigation Committee, respectively, shall be appointed to their positions and dismissed from their positions by the president of the Republic of Kazakhstan at the suggestion of the chairman of the National Security Committee and the chairman of the State Investigation Committee, respectively.

5. Other officials of the National Security Committee and the State Investigation Committee and organs under their jurisdiction shall be appointed to their positions and dismissed from their positions according to the procedure established by the president of the Republic of Kazakhstan.

Article 4.

The status, authority, organization, and procedure for the activity of the National Security Committee and the State Investigation Committee shall be determined by legislation.

Article 5.

The present edict shall take effect on the day of its publication.

[Signed] President of the Republic of Kazakhstan N. Nazarbayev

Almaty, 6 October 1995

Edict on State Investigation Committee

964F0061A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 7 Oct 95 p 1

[Edict of the president of the Republic of Kazakhstan: "On the Formation of the State Investigation Committee of the Republic of Kazakhstan"]

[FBIS Translated Text] In compliance with Point 3.21 of Article 44 and Point 1 of Article 84 of the Constitution of the Republic of Kazakhstan and the state program for legal reform in the Republic of Kazakhstan, for purposes of improving the system of law enforcement organs, buttressing law and order, and providing for public safety, as well as increasing the effectiveness of the fight against crime, I decree:

1. A State Investigation Commission of the Republic of Kazakhstan shall be formed.

2. It shall be established that:

1) The State Investigation Commission of the Republic of Kazakhstan shall conduct inquiries, preliminary investigations on criminal cases, and operational-search activity;

2) the unified system of organs of the State Investigation Commission of the Republic of Kazakhstan shall be composed of the State Investigation Commission, the administrative organs of the State Investigation Commission under its direct jurisdiction for the oblasts (the city of Almaty) and for transportation, city, rayon, and rayon-in-city subdivisions of organs of the State Investigation Commission, and also special and secret facilities, educational institutions, and other institutions and organizations;

3) the financing of the activity of the State Investigation Commission and organs under its jurisdiction and the provision of housing for investigation-operations workers shall be done with funds from the republic budget.

3. The following shall be submitted to the administration of the president of the Republic of Kazakhstan for the consideration of the president of the Republic of Kazakhstan:

1) before 1 November 1995—the structure and statute on the State Investigation Commission of the Republic of Kazakhstan;

2) before 1 December 1995—the draft edict of the president of the republic with the force of law "On the State Investigation Commission of the Republic of Kazakhstan" and the corresponding proposals for making changes and additions to existing legislation of the Republic of Kazakhstan.

4. The corresponding commission shall be created for consideration of questions related to the formation of the State Investigation Commission of the Republic of Kazakhstan.

5. The government and the Procuracy General of the Republic of Kazakhstan, at the suggestion of the commission indicated in Point 4 of the present edict, shall submit the following to the investigation committee of the Republic of Kazakhstan:

1) before 1 January 1996—the staff distribution chart of operational-investigation and other services of internal affairs organs that support their activity; the staff distribution chart of investigation workers of procuracy organs;

2) within a month of the day the present edict goes into effect— the buildings, premises, transportation, technical equipment, and other financial and material resources necessary to support the activity of the State Investigation Commission which are assigned to internal affairs organs and the procuracy.

6. The government of the Republic of Kazakhstan within a month of the day the present edict takes effect shall:

1) resolve problems of financial and material and technical support for the activity of the State Investigation Commission and organs under its jurisdiction;

2) submit to the president of the Republic of Kazakhstan proposals concerning the system of wages for workers of the State Investigation Commission and organs under its jurisdiction, having envisioned the level of their monetary maintenance as no lower than the level of monetary maintenance of workers of procuracy and internal affairs organs in existence on the day the present law takes effect;

3) bring previously issued government acts into compliance with the present edict.

7. It shall be incumbent on the akims of the oblasts, cites, rayons, and rayons in cities before 1 January 1996 to resolve all the necessary issues of organizational and material and technical support for territorial organs of the State Investigation Commission.

8. The present edict shall take effect on the day of publication, with the exception of Subpoint 1) of Point 2 of the present edict, which shall take effect on 1 January 1996.

[Signed] President of the Republic of Kazakhstan N. Nazarbayev

Almaty, 6 October 1995.

Edict Naming Investigatory Committee Chief

964F0049A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 7 Oct 95 p 1

["Edict of the President of the Republic of Kazakhstan on Appointing Zh.A. Tuyakbayev Chairman of the State Investigatory Committee of the Republic of Kazakhstan"]

[FBIS Translated Text] Zharmakhan Aytbayevich Tuyakbayev is hereby relieved of his job as general procurator of the Republic of Kazakhstan and appointed chairman of the State Investigatory Committee of the Republic of Kazakhstan.

[Signed] President of the Republic of Kazakhstan N. Nazarbayev

Almaty, 6 October 1995

Tuyakbayev Zharmakhan Aytbayevich graduated from the Imeni S.M. Kirova Kazakh State University and is a jurist by profession.

He began his working career at the Imeni Engelsa kolkhoz. He has served in procuracy organs since 1971: He was city of Arys procurator, deputy procurator and department chief of the Chimkent Oblast procuracy, and procurator of Mangyshlak and Guryev Oblasts. He then worked as a party appointee. Over the period 1981-1987 he was the republic's deputy procurator. Since December 1990—general procurator of the Republic of Kazakhstan.

Has the rank of counselor of justice, 1st class.

Edict on Changes in Citizenship Law

964F0028A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 4 Oct 95 p 1

[Edict of the president of the Republic of Kazakhstan with the force of law: "On Revisions and Addenda to the Law of the Republic of Kazakhstan 'On Citizenship of the Republic of Kazakhstan'"]

[FBIS Translated Text] In connection with the adoption of the Constitution of the Republic of Kazakhstan and in accordance with Article 1 of the law of the Republic of Kazakhstan "On Temporary Delegation to the President of the Republic of Kazakhstan and the Local Administration Chiefs of Supplementary Powers," I resolve:

I. To make to the law of the Republic of Kazakhstan of 20 December 1991 "On Citizenship of the Republic of Kazakhstan" (VEDOMOSTI VERKHOVNOGO SOVETA RESPUBLIKI KAZAKHSTANA, No. 52, item 636) the following revisions and addenda:

1. In the preamble to the law:

Paragraph two to read as follows:

"In the Republic of Kazakhstan, each person shall be entitled to citizenship. Citizenship in the Republic of Kazakhstan shall be acquired and terminated in accordance with this law";

to supplement paragraph three as follows:

"Under no circumstances may a citizen of the Republic of Kazakhstan be stripped of citizenship or the right to change his citizenship, nor may he be expelled from Kazakhstan."

2. In Article 3:

Part two to read as follows:

"Citizenship of another state shall not be recognized for a citizen of the Republic of Kazakhstan";

to delete part three;

to consider part four as part three and to substitute in it for the words "former Union republics" the words "other states."

3. To supplement Article 4 after the word "is" with the words "identity card or."

4. Articles 5, 8, and 9 to read as follows:

"Article 5. Legal position of citizens of the Republic of Kazakhstan

"Citizenship of the Republic of Kazakhstan is unified and equal, regardless of the grounds on which it was acquired.

"Citizens of the Republic of Kazakhstan are equal before the law, regardless of origins, social and property position, racial and national affiliation, sex, education, language, attitude toward religion, political and other beliefs, type and nature of occupation, place of residence, or any other circumstances.

"Citizens of the Republic of Kazakhstan shall possess the entirety of civil, political, economic, and social rights and liberties proclaimed and guaranteed by the constitution and laws of the Republic of Kazakhstan.

"Article 8. Inadmissibility of the extradition of a citizen of the Republic of Kazakhstan to another state

"A citizen of the Republic of Kazakhstan may not be extradited to a foreign state unless otherwise established by international treaties of the republic.

"Article 9. Protection of citizens outside of the Republic of Kazakhstan

"The Republic of Kazakhstan guarantees its citizens protection and patronage beyond its confines."

5. Clause 3 of Article 10 to read as follows:

"3) On the grounds or in the procedure specified by interstate agreements of the Republic of Kazakhstan."

6. Article 16 to read as follows:

"Article 16. Conditions of admittance to citizenship of the Republic of Kazakhstan

"The following may be admitted to citizenship of the Republic of Kazakhstan:

"1) persons who have been permanently resident on the territory of the Republic of Kazakhstan for no fewer than five years or who are married to citizens of the Republic of Kazakhstan.

"The presence of the conditions specified in paragraph one of this clause shall not be required for the admittance to citizenship of the Republic of Kazakhstan of minors, the incapacitated, and persons who have made particular contributions to the Republic of Kazakhstan or of persons who involuntarily left the territory of Kazakhstan on political grounds or their descendants if they have returned for permanent residence in the Republic of Kazakhstan as their historical homeland;

"2) citizens of the former Union republics who have a citizen of the Republic of Kazakhstan as a close relative: a child (adopted included), husband (or wife), parent (foster parents), sister, brother, and grandfather or grandmother, regardless of the length of their residence in the Republic of Kazakhstan.

"Questions of the citizenship of servicemen who are performing actual military service and who are stationed on the territory of the Republic of Kazakhstan shall be determined by interstate treaties of the Republic of Kazakhstan."

7. To delete from clause 7 of Article 17 the words "in the absence of interstate dual citizenship agreements with them."

8. In part one of Article 21:

to supplement clause 1 after the words "as a consequence of a person's registration" with the words "for military service" and to substitute for the words "in another state" the words "of another state";

to supplement clause 4 as follows:

"4) If a person who is permanently resident outside of the Republic of Kazakhstan has not for five years been registered with a consulate without valid reason."

9. The title of Chapter 5 to read as follows:

"Powers of the President of the Republic of Kazakhstan and the State Authorities on Matters of Citizenship."

10. In part two of Article 29:

to supplement paragraph four after the words "relinquishment of the citizenship of the Republic of Kazakhstan of permanent residents" with the words "on the territory of the Republic of Kazakhstan and also";

to delete paragraph six.

11. Article 30 to read as follows:

"Article 30. Powers of the internal affairs authorities

"The Ministry of Internal Affairs of the Republic of Kazakhstan and the internal affairs administrations and departments of oblasts, cities, rayons, and city rayons:

"shall accept from persons permanently resident in the Republic of Kazakhstan applications for citizenship of the Republic of Kazakhstan and forward them together with the requisite documentation for consideration by the president of the Republic of Kazakhstan;

"register the acquisition of citizenship of the Republic of Kazakhstan and the relinquishment of citizenship of the Republic of Kazakhstan specified by interstate treaties of the Republic of Kazakhstan;

"register the loss of citizenship of the Republic of Kazakhstan by those permanently resident on the territory of the Republic of Kazakhstan."

12. To substitute in part two of Article 34 for the words "Cabinet of Ministers of the Republic of Kazakhstan" the words "Ministry of Internal Affairs and the body of the Republic of Kazakhstan in charge of migration of the population."

13. Part one of Article 36 to read as follows:

"An edict of the president of the Republic of Kazakhstan shall be issued on questions of the admittance to and change of citizenship and upon rejection of a petition."

14. In Article 37:

to supplement part one with a new paragraph reading as follows:

"Its registration in the procedure specified by interstate treaties";

part two to read as follows:

"Citizenship of the Republic of Kazakhstan shall terminate the day that:

"an edict of the president of the Republic of Kazakhstan on the relinquishment of citizenship is issued;

"the loss thereof is registered by the state authorities in the procedure established by this law";

"the relinquishment of citizenship of the Republic of Kazakhstan is registered in the procedure specified by interstate treaties of the Republic of Kazakhstan."

15. To substitute in part one of Article 39 for the words "executive committees of the soviets of people's deputies" the words "oblasts, cities, rayons, and city rayons."

II. To deem Edict 1470 of the president of the Republic of Kazakhstan of 23 December 1993, "On Establishment of a Simplified Procedure of the Acquisition of Citizenship in the Republic of Kazakhstan" (SVODKA AKTOV I POSTANOVLENII PRAVITELSTVA No. 48, 1993, item 577) to have lapsed.

III. That this edict shall take effect the day of publication.

[Signed] N. Nazarbayev, president of the Republic of Kazakhstan

Almaty, 3 October 1995.

Edict on Ecology, Bio-Resources Minister

964F0026A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 4 Oct 95 p 1

[Edict of the president of the Republic of Kazakhstan: "On the Appointment of N.I. Bayev Minister of Ecology and Biological Resources of the Republic of Kazakhstan"]

[FBIS Translated Text] To appoint Nikolay Ivanovich Bayev minister of ecology and biological resources of the Republic of Kazakhstan.

[Signed] N. Nazarbayev, president of the Republic of Kazakhstan

Almaty, 3 October 1995.

Nikolay Ivanovich Bayev

A Russian, he was born in 1945 in the village of Vasilyevka of Saratov Oblast. He is a graduate of the Moscow Geological Prospecting Institute and a mining engineer by specialty.

He began his career as an assistant combine operator in Uralsk Oblast. Following schooling at an institute and army service, he worked at the Caspian Mining and Metallurgical Works, where he progressed from foreman of a mine administration to mine director. He worked in government bodies of Mangistau Oblast and in 1992-1994 was chief of the Aktau City Administration.

He was elected a deputy of the Supreme Council of Kazakhstan. As of 1995 he has been deputy chairman of the Republic Defense Industry Committee.

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